



**Course Requirements:** This course is very rigorous and demanding. You are expected to work hard, actively participate, ask questions when you have any doubts, and perform to the very best of your ability. Still, the purpose of this course is to teach you something about the economics of sports, not to destroy your GPA.

The grading breakdown follows: (percentage of final grade)

Midterm #1 (September 27)	22.5%
Midterm #2 (November 8 <sup>th</sup> )	22.5%
Cumulative Final Exam (December 15 <sup>th</sup> @ 8:00am)	35%
2 Data Assignments	10%
In-Class Polls	10%

**Exam Format:** There will be two mid-term exams given during the semester (**September 27<sup>th</sup>** and **November 8<sup>th</sup>**) and a cumulative final exam (**December 15<sup>th</sup> @ 8am**). Each exam will cover material presented in class, as well as readings and assignments scheduled outside of class. The exam format will be provided in the class prior to a given exam. You should bring your UNC ID, and a “basic” calculator (for a description see the “Required Materials” section of the syllabus) with you to each exam.

**Missed Exams:** There are no make-up midterm examinations. You are forewarned well in advance to properly schedule your time and make proper arrangements for other potential conflicts. If you must miss a midterm exam, say due to illness, you may be permitted to transfer the missed credit to the final examination. To qualify for a transfer of credit, you must contact me **before** the start of the missed midterm examination and provide me with an acceptable explanation. You are required to support your explanation with documentation within 2 business days of the exam. For example, if you miss an exam on a Thursday, then you will have until Monday to provide your documentation. If the explanation and documentation are approved by me, then the weight of the midterm will be placed on the final exam. If you miss both midterm exams, then your final exam will only carry a weight of 70%, i.e. a 10 percentage point penalty applies.

**Data Assignments:** Two data assignments will be given during the semester. My expectations and requirements will be explicitly stated when the assignments are distributed.

“**In-class polls**” will be conducted during each lecture by using the response system known as *Poll Everywhere*. Participation requires that you have access to a cell phone texting plan or a device that can logon to the University’s Wi-Fi (e.g. tablet, laptop). Prior to our first poll you must register your device with Poll Everywhere (PE). Registration instructions and other FAQ can be found by following this link: <http://help.unc.edu/help/poll-everywhere-faq/>. ***If you do not register properly, then your polls will not be counted.*** Please verify that you have registered correctly (see the PE FAQ for more info). If you have not used PE in a course since Fall 2012, then you will need to edit your registration information. An explanation of how the polls will be graded can be found on p. 6 of the syllabus. Note: these question are to be done in class, you will receive a zero on this portion of your final grade if you are found to be answering questions from a distant location.

**Grading Scale:** I will use the following scale, which is based on a percentage of total possible points, to assign your final grade.

A	= 93-100	C	= 73-76
A-	= 90-92	C-	= 70-72
B+	= 87-89	D+	= 67-69
B	= 83-86	D	= 60-66
B-	= 80-82	F	< 60
C+	= 77-79		

Letter grades are computed from the total points earned during the semester and assigned based on the scale given above. If necessary, final grades will be curved so the course grades have a similar distribution to previous versions

of this class. In previous semesters roughly 20% of the class earned in the A-range and 35% of the class earned in the B-range.

**Attendance Policy:** Regular attendance is strongly recommended. You are responsible for any announcements that you may have missed if you choose not to attend class or if you cannot attend class. You should get the missed notes/announcements from one of your peers. Discuss any questions you have on the content with a classmate or stop by during my scheduled office hours. It is expected that you will respect your peers and the instructor with appropriate behavior while in class and that you will arrive to class on time. **Students who are not willing to attend regularly should drop the course.**

In the event that you must miss or anticipate missing at least 2 *consecutive classes* because of an *extenuating circumstance*, notify me and the Dean of Students immediately. Upon receipt of notification from the Dean of Students and your return to campus, it is your responsibility to contact me and we will discuss any adjustments to your course grade calculation. Reminder: read the email etiquette section for when you should/should not contact your professor.

**Electronic Device Policy:** Students may not use laptops, tablets, phones, or similar devices during the lecture, except when doing polls or when I specifically permit it. First, it disrupts your classmates. Second, it interferes with your learning (see <http://www.newyorker.com/tech/elements/the-case-for-banning-laptops-in-the-classroom>). The first time you violate the restriction, you will be warned. For each subsequent time a 5%-point penalty will be applied to your final Poll Everywhere grade. If you are expecting an important phone call (job interview, family illness, etc.), please notify me before class then sit in the back of the room near the exit.

**Academic Integrity:** All students are expected to adhere to the Honor Code (<http://instrument.unc.edu>). Any violation will result in an **F** for the course, and other sanctions may apply.

- You may use your notes and textbook to complete polls, but keep in mind that polls will be timed. Sometimes you will be permitted to consult with your classmates when answering a poll. I will let you know when you can consult with a classmate versus when you are expected to do the poll alone.
- No assistance is permitted on exams. During the exam, however, feel free to ask me for clarification. You are permitted to use a basic calculator as described on p. 1 of the syllabus. Consider the use of any other calculator a violation of the honor code.

**Contact Information and Email Policy:** Students are encouraged to visit me on a first-come, first-serve basis during my scheduled office hours or ask any brief questions immediately before/after class. If you are unable to make my scheduled office hours, then feel free to email me and request an appointment. You can expect to receive a response within one business day as long as you 1) include a specific reason for your meeting request; 2) include all times in which you are available to meet; and 3) put "ECON 485" on the subject line. Please use proper email etiquette (see <http://www.usm.edu/chemistry-biochemistry/e-mail-etiquette-adapted-academia> for details).

**Regrade Requests:** Requests for a regrade must adhere to the following rules:

1. All Regrade Requests must be made within 1 week of the day on which the grade was posted. There are no exceptions to this rule. For instance, if you find that your midterm grade is incorrect and notify me 2 weeks after it was posted, no Regrade Requests will be accepted.
2. If you feel that any of your work was graded incorrectly, please fill out the Regrade Request Form found in Sakai. If applicable, staple the Request form to your assignment and hand it in at the start of class. Please note that there is an element of subjectivity in grading written work. If your Regrade Request is of a subjective nature ("I think I deserve 10 points and you only gave me 9"), your Request will likely be rejected.
3. If you submit a Regrade Request, I reserve the right to regrade your entire assignment, which could potentially lower your grade.

If your Regrade Request is rejected and you disagree with the explanation, come see me during my office hours to appeal your Request. Please note the odds are fairly low that I will overturn the original grade, but it is possible if there is a relatively severe misunderstanding.

### **Tips for Being Successful in ECON 485**

- Prepare for each lecture by completing all assigned readings and preparing any related discussion questions.
- Review the material immediately after it is presented and bring any questions you may have to my attention. I will dedicate the first few minutes of every class to answering questions.
- Do the suggested problems at the end of each chapter. The answers to the questions from Kesenne can be found in the back of the book and the answers from Blair are posted on Sakai.
- If you find that you are having particular difficulty with any of the material in this course, then get help immediately. *Do not let it build up*. It is expected that you will have completed the readings and reviewed your notes BEFORE a scheduled meeting. Many students will wait until the last minute to get help and put extraordinary demands on my time. I have weekly office hours so please take advantage of them. It is impossible for me to drop everything and dedicate all of my time before an exam to procrastinating students.

**Calendar and Reading List:** You are expected to have all assigned readings completed before the material is presented. The entire chapter is to be read unless otherwise noted. Please expect to have additional readings throughout the semester.

#### **I. Introduction and the Peculiarities of Team Sports (August 23 – August 25)**

- Blair, Chapter 2 (pp. 16-26); Chapter 3
- Kesenne, Chapter 1 and Chapter 2 (pp. 9-10, 12-19)
- Szymanski, S. (2013). Economics of League Design. In L. Kahane & S. Shmanski (Eds.), *The Oxford Handbook of Sports Economics: The Economics of Sports Volume 1*. Oxford University Press. doi:10.1093/oxfordhb/9780195387773.001.0001
- Simon Rottenberg, 1956. "The Baseball Players' Labor Market," *Journal of Political Economy*, Vol. 64, No. 3, pp. 242-258.

#### **II. Competitive Balance and Outcome Uncertainty (August 30 – September 1)**

- Blair, Chapter 4 (pp. 65-70, skim pp. 70-81), Chapter 22 (pp. 442-448)
- Kesenne, Chapter 2 (pp. 11-12)
- Dennis Coates, Brad R. Humphreys and Li Zhou, 2014. "Reference-Dependent Preferences, Loss Aversion, and Live Game Attendance," *Economic Inquiry*, Vol. 52, No. 3, pp. 959-973.
- Brad R. Humphreys, 2002. "Alternative Measures of Competitive Balance in Sports Leagues," *Journal of Sports Economics*, Vol. 3, No. 2, pp. 133-148.

#### **III. Pricing Decisions (September 6 – September 8)**

- Blair, Chapter 5
- Kesenne, Chapter 2 (pp. 19-27)
- Anthony C. Krautmann and David J. Berri. (2007). "Can We Find it at the Concessions? Understanding Price Elasticity in Professional Sports." *Journal of Sports Economics*, Vol. 8, No. 2, pp. 183-191.

#### **IV. Sports and the Media (September 13 – September 15)**

- Blair, Chapters 6 and 7
- Kesenne, Chapter 2 (pp. 27-42)

#### **V. Sports and Antitrust (September 20 – September 22)**

- Blair, Chapter 9
- Andrew Zimbalist, 2009. "The BCS, Antitrust and Public Policy," *The Antitrust Bulletin*, Vol. 54, No. 4, pp. 823-855.

### **Exam #1 (September 27 @ 8am)**

#### **VI. Player Labor Market (September 29 – October 6)**

- Blair, Chapter 4 (pp. 70-75) and Chapter 17
- Kesenne, Chapter 3 (pp. 48 – 58; pp. 65-71; and skim remarks on pp. 58 – 62); Chapter 5 (pp. 103-115)

#### **VII. Revenue Sharing (October 11 – October 18)**

- Blair, Chapter 4 (pp. 75-77)
- Kesenne, Chapter 6

#### **VIII. Salary Caps and Luxury Taxes (October 25 – October 27)**

- Blair, Chapter 4 (pp. 77-81)
- Kesenne, Chapter 7 (ignore “two-decision variable model)
- Stefan Kesenne (2000). “The Impact of Salary Caps in Professional Team Sports,” *Scottish Journal of Political Economy*, Vol. 47, No. 4, pp. 422-430.

#### **IX. National Collegiate Athletic Association (NCAA) (November 1 – November 3)**

- Blair, Chapters 18 and 24
- Fort, R. D. (2011). Chapter 13 (College Sports). *Sports Economics* (pp. 433–493). Boston: Prentice Hall.
- Lawrence M. Kahn, 2007. “Cartel Behavior and Amateurism in College Sports,” *Journal of Economic Perspectives*, Vol. 21, No. 1, pp. 209-219.

### **Exam #2 (November 8 @ 8am)**

#### **X. Sports and the Public Purse (November 10 – November 15)**

- Blair, Chapters 14, 15, and 16
- Victor A. Matheson, (2008). Mega-Events: The Effect of the World’s Biggest Sporting Events on Local, Regional, and National Economies. *The Business of Sports, Volume 1* (pp. 81–99). Westport, CT: Praeger Perspectives.
- Andrew Zimbalist. “A Miami Fish Story,” *New York Times*, October 18, 1998.

#### **XI. Cheating and Misconduct (November 17 – November 22)**

- Blair, Chapter 8 (pp. 159-164) and Chapters 10, 11, 12, 13
- Haugen, K. K. (2004). The Performance-Enhancing Drug Game. *Journal of Sports Economics*, 5(1), 67–75.

#### **XII. Estimating a Player’s MRP: Are Player’s Overpaid (November 29 – December 6)**

- Blair, Chapters 19 and 21
- Berri, D. J., & Krautmann, A. C. (2013). Understanding the WNBA on and off the Court. In E. M. Leeds & M. A. Leeds (Eds.), *Handbook on the Economics of Women in Sports* (pp. 132–155). Northampton, MA: Edward Elgar.
- Jahn K. Hakes and Raymond D. Sauer, 2006. “An Economic Evaluation of the Moneyball Hypothesis,” *Journal of Economic Perspectives*, Vol. 20, No. 3, pp. 173-185.
- Lane, E., Nagel, J., & Netz, J. S. (2014). Alternative Approaches to Measuring MRP: Are All Men’s College Basketball Players Exploited? *Journal of Sports Economics*, 15(3), 237–262.

### **Final Exam (December 15 @ 8am)**

**Disclaimer:** Although the instructor intends to follow this syllabus as closely as possible, there may be times when deviations from the material presented herein are necessary.

### **Explanation of “In-Class Polls” Grading**

Below is an explanation of how the Poll Everywhere questions will be graded. Essentially there will be two types of questions asked: 1) graded questions; and 2) polling questions.

“**Graded questions**” are multiple choice questions where there is only one correct answer. “**Polling questions**” do not have correct answers. Examples include questions like, “Should the NCAA be treated as a non-profit organization?” and “Should performance enhancing drugs be permitted in sport?”

Grading Procedure:

- I understand that you may not be able to participate in some polls because you missed class, forgot your polling device, and/or had technical difficulty. Missed polls cannot be made-up. This holds regardless of your excuse (e.g. university/athletics commitment, job interview, sickness, technical malfunction, etc.). It’s OK though because only the highest 85% of your polls will be allocated toward your “In-Class Polls” grade. I expect to do at least 100 polls during class this semester. In the event that we do 100 polls, for example, your poll grade will only be based on your highest 85 polls. In other words, you can miss 15 polls without incurring a penalty.
- Possible scores on any given “graded question” include:
  - 100% (you answered the question correctly)
  - 50% (you answered the question incorrectly)
  - 0% (you did not answer the question)
- Possible scores on any given “polling question” include:
  - 100% (you answered the question)
  - 0% (you did not answer the question)

Starting Tuesday, August 30<sup>th</sup>, all poll responses will be graded according to the procedures outlined in this document.

**Registration instructions for Poll Everywhere** can be found at <http://help.unc.edu/help/poll-everywhere-faq/>

- ***If you do not register properly, then your polls will not be counted.*** Please verify that you have registered correctly (see the PE FAQ for more info). If you have not used PE in a course since Fall 2012, then you will need to edit your registration information.

***Note: these question are to be done in class, you will receive a zero on this portion of your final grade if you are found to be answering questions from a distant location.***