

# Course Syllabus

## ECON 323 – Economics of Sports

### Summer II 2023

Instructor: Austin Smith

Time: Monday-Friday 11:00 am – 12:45 pm

Location: McClelland Hall Room 127

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Office Hours: Monday, Tuesday, Thursday 1-2PM (Room 401B)

#### Course Objectives:

The overall goal of the class is to develop and utilize economic tools and intuition to analyze the economics of professional and intercollegiate sports. You will learn to apply existing economic models to the industry of professional sports and compare predictions of these models to real-world observations.

**Expected Learning Outcomes:** By the end of the course, students will be able to use economic concepts to explain phenomena from the sports world. Students will be able to describe economic reasoning behind decisions made by players, teams, and leagues who are profit-maximizing. Students will also use basic data analysis to understand the determinants of outcomes such as sports wins and athlete wages.

**Prerequisites:** Students are expected to have completed ECON 200 or an equivalent course as well as have a general understanding of the major American sports and their leagues: NFL, MLB, NBA, NHL, NCAA. If you do not have a basic understanding of these sports, it will be difficult for you to excel in this course.

#### Required Text:

The Economics of Sports by Michael A. Leeds and Peter von Allmen (5<sup>th</sup> Edition or later)

An electronic copy is available for free from the library. There is a link to the eTextbook on the course D2L page under the content tab.

#### Grading:

Your grade in this course will be determined by weekly homework assignments, mini-quizzes, in-class participation, a midterm exam, and a final exam. The final exam is not cumulative and only covers content taught after the midterm exam. Grades are calculated based on the standard letter scale. The weights for each category are as follows:

<b>Homework:</b> 15%	<b>In-Class Participation:</b> 10%
<b>Mini-Quizzes:</b> 15%	
<b>Midterm:</b> 30%	<b>Final Exam:</b> 30%

**Homework:**

You will have one homework assignment per week. It will be due Monday at the beginning of class. This is to ensure that I am able to get an idea of where the class is at with the course concepts before I test you on them. It will be either be typed or handwritten and uploaded to D2L. Each assignment will be weighted equally, and together they account for 15% of your final course grade. Homework will closely follow assigned readings from the textbook and topics from lectures. I advise you to stay current with assigned readings to avoid missing deadlines. HOMEWORK THAT IS NOT SUBMITTED BY THE RELEVANT DEADLINE WILL RECEIVE A GRADE OF ZERO.

**In-Class Participation:**

Your grade for in-class participation will be based on your participation in activities, attendance, discussion, and assignments in class. I will often cold call on students for answers to questions and I expect you to be prepared with a thoughtful answer. Answers need not be correct to receive credit, but I expect full attention and effort. If you are attentive, respectful, and apply yourself in class, you will do well for this portion of your grade. Of course, if you do not regularly attend class, your participation grade will suffer.

**Mini-Quizzes:**

I will give one mini-quiz on the Thursday of each week in which there is no exam. These quizzes will cover the material presented that week in class, with the goal of preparing you for upcoming exams. There are 3 quizzes in total, each worth 5% of your grade, for a total of 15%. The quizzes will consist of 2 or 3 short response questions. Students will receive a grade of zero if they miss a mini-quiz and do not have a University approved reason for absence. Students with an excused absence must schedule a time with me to take a make-up quiz.

**Exams:**

The midterm and final will be held in class (see below for tentative dates). Both exams are worth 30% of your final course grade. Any material presented in class or assigned readings may be present on an exam. Students will receive a grade of zero if they miss a midterm and do not have a University approved reason for the absence. Students with an excused absence for a midterm exam will have their final exam weighted 60% of the final course grade. The student must provide evidence/documentation deemed sufficient by the instructor that their absence is excusable. If you wish to appeal a midterm grade, you have 3 business days from the date exam grades are available to do so. You must send me an email and make an appointment to go over the issue.

The final exam is cumulative and MANDATORY. Students who miss the final exam without a University approved excuse will receive a grade of zero for the final. Students who miss the final for a University approved reason will be given a make-up final exam.

**Exam/Quiz Schedule:**

Mini-Quiz 1: Thursday, July 13<sup>th</sup>  
Tentative midterm date: Friday, July 21<sup>st</sup>  
Mini-Quiz 2: Thursday, July 27<sup>th</sup>  
Mini-Quiz 3: Thursday, August 3<sup>rd</sup>  
Final Exam date: Wednesday, August 9<sup>th</sup>

**Attendance Policy:**

Regular attendance is essential if you plan on doing well in this course. Students are responsible for all material presented in class and are expected to be present and participate in class discussion and activities. Frequent absences will negatively impact your in-class participation grade and will be detrimental to overall course performance. If for some reason you are absent, get notes from a classmate. If you have questions, please come to office hours, but I will not simply duplicate information presented in lectures.

**Classroom Behavior:**

My goal as an instructor is to create a respectful classroom environment where students feel safe and encouraged to learn. To help create such an environment, I ask that you do not use your cell phones in class. This ensures that everyone is present and actively involved in class. To avoid disruptions, please arrive on time and do not leave class early. Both behaviors are disrespectful to the instructor and your classmates. Students who disrupt the class in this or any other way can be administratively dropped from the course.

**Special Needs and Accommodations Statement:**

Students who need special accommodation or services should contact the Disability Resources Center, 1224 East Lowell Street, Tucson, AZ 85721, (520) 621-3268, FAX (520) 621-9423, email: [uadrc@email.arizona.edu](mailto:uadrc@email.arizona.edu), <http://drc.arizona.edu/> . You must register and request that the Center or DRC send me official notification of your accommodations needs as soon as possible. Please plan to meet with me by appointment or during office hours to discuss accommodations and how my course requirements and activities may impact your ability to fully participate. The need for accommodations must be documented by the appropriate office.

**Student Code of Academic Integrity:**

Students are encouraged to share intellectual views and discuss freely the principles and applications of course materials. However, graded work/exercises must be the product of independent effort unless otherwise instructed. Students are expected to adhere to the UA Code of Academic Integrity as described in the UA General Catalog. See: <http://deanofstudents.arizona.edu/codeofacademicintegrity/>.

The penalty for cheating is a failing grade in the course.

**Nondiscrimination and Anti-Harassment Policy:**

The University of Arizona is committed to creating and maintaining an environment free of discrimination. In support of this commitment, the University prohibits discrimination, including harassment and retaliation, based on a protected classification, including race, color, religion,

sex, national origin, age, disability, veteran status, sexual orientation, gender identity, or genetic information. The University encourages anyone who believes he or she has been the subject of discrimination to report the matter immediately. All members of the University community are responsible for participating in creating a campus environment free from all forms of prohibited discrimination and for cooperating with University officials who investigate allegations of policy violations.

**Subject to Change Statement:**

Information contained in the course syllabus, other than the grade and attendance policy, may be subject to change with advance notice, as deemed appropriate by the instructor.

**Course Schedule:**

The following is a tentative schedule for the progression of the course. Chapters and page numbers correspond to the 5<sup>th</sup> Edition of the textbook.

Week 1 and 2:

Ch. 1: Introduction (p. 3-12)

Ch.2: Review of economic tools, supply/demand, production functions (p. 13-44)

Ch. 3: Sports franchises as firms (p. 63-109)

Ch. 4: Monopoly and Antitrust in sports, price discrimination (p. 111-145)

Ch. 5: Competitive balance, how it is measured, and why it is important (p. 151-179)

**Midterm**

Week 3 and 4:

Ch. 6: Public finance of sports – benefits (p. 183-217)

Ch. 7: Public finance of sports – costs (p. 219-248)

Ch. 8: Sports labor markets, tournaments, incentives (p. 251-281)

Ch. 9: Labor market imperfections (p. 289-322)

Ch. 10: Discrimination (p. 323-355)

Game Theory (My notes)

Week 5:

Basic Regression Analysis (My notes)

**Final Exam**

Additional topics will be covered if time permits.