



Economics 583: Economics of Sports

Autumn Quarter 2011

Tuesdays & Thursdays 1:30pm - 3:18pm, SO 024

Department of Economics, The Ohio State University

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Office Hours: Tuesdays 12:00pm - 1:00pm, or by appointment

Course Website: <http://web.econ.ohio-state.edu/~tan/teaching.html>

Lecture notes, academic papers, and other course materials will be posted on the course website.

Course Overview:

There are a plethora of ways to apply economic theory to the real world. This course will use the world of sports (mainly baseball, football, basketball, hockey, and soccer) to illustrate basic economic concepts. The class will be split into three sections. The first third of the class will focus on the industrial organization of sports, in which we discuss why sports leagues exist, antitrust issues associated with sports, and competitive balance. The second third of the class focuses on the connection between sports and both public finance and labor economics. We will discuss issues like why players earn such high wages, why players organize into unions, and discrimination. Finally, we will focus on college sports and selected academic papers on baseball and golf.

Prerequisites:

The prerequisite for this course is Economics 200 (Principles of Microeconomics). Students with an interest in how economics and sports are related will find this course especially interesting. Students are expected to come to class regularly and be prepared for class discussions.

Recommended Textbook:

Michael A. Leeds and Peter von Allmen

The Economics of Sports (4th Edition), Addison-Wesley (2010)

ISBN: 9780138009298

A copy of the textbook has been put on course reserves at Thompson Library.

Grading:

Grades for this course will be assigned as follows:

Quizzes: 10%

Midterm 1 Exam: 30% (October 13, 2011)

Midterm 2 Exam: 30% (November 8, 2011)

Final Exam: 30% (December 8, 2011)

Quizzes:

Quizzes will be administered at the end of each lecture and will cover the material covered during that lecture. Therefore, it is highly recommended that you come to all the classes and pay attention during lecture. The two lowest quiz grades will be dropped.

Exams:

Midterm 1 Exam will cover Chapter 1 - Chapter 5 from the textbook, as well as any relevant material that arises through class discussion. Midterm 2 Exam will cover Chapter 6 - Chapter 10 from the textbook, as well as any relevant material that arises through class discussion. The Final Exam will cover Chapter 11 and Appendix 2B at the end of Chapter 2 from the textbook, the three academic papers discussed in class (see class schedule for details), as well as any relevant material that arises through class discussion. Note that none of the exams are cumulative. You are allowed to use calculators on the exam.

Makeup exams will *not* be given without documented medical emergency or family emergency. Travel plans are *not* an emergency. It is your responsibility to plan around scheduled exam times.

Re-grade policy: If I miscalculated the total number of points you earned, then you can return the exam to me and I will recalculate your grade. However, if you believe that I erred in grading your exam for any other reason, then you must hand-deliver your original exam along with a typed document that outlines the following for each problem that you request to be re-graded: 1) how many points I gave you, 2) how many points you feel you deserve, and 3) a detailed explanation why you feel that you deserve more points than you received. I reserve the right to deny your request.

Taking Care of Yourself:

A recent American College Health Survey found stress, sleep problems, anxiety, depression, interpersonal concerns, death of a significant other, and alcohol use among the top ten health impediments to academic performance. Students experiencing personal problems or situational crises during the quarter are encouraged to contact the OSU Counseling and Consultation Services (614-292-5766) for assistance, support and advocacy. This service is free and confidential.

Academic Misconduct:

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: Any activity that tends to compromise the academic integrity of the University, or subvert the educational process. Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an excuse for academic misconduct, so I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct. If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct.

Students with Disabilities:

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.

Tentative Schedule:

Date	Topics Covered	Readings
Sept 22	Economics and Sports	Chapter 1
Sept 27	Review of the Economist's Arsenal	Chapter 2
Sept 29	Sports Franchises as Profit-Maximizing Firms	Chapter 3
Oct 4	Monopoly and Antitrust	Chapter 4
Oct 6	Competitive Balance	Chapter 5
Oct 11	Review for Midterm 1 Exam	
Oct 13	MIDTERM 1 EXAM	
Oct 18	The Public Finance of Sports: The Market for Teams	Chapter 6
Oct 20	The Costs and Benefits of a Franchise to a City	Chapter 7
Oct 25	Labor Markets in Professional Sports	Chapter 8
Oct 27	Labor Market Imperfections	Chapter 9
Nov 1	Discrimination	Chapter 10
Nov 3	Review for Midterm 2 Exam	
Nov 8	MIDTERM 2 EXAM	
Nov 10	Amateurism and College Sports	Chapter 11
Nov 15	Regression Analysis in Brief	Appendix 2B
Nov 17	Major League Baseball's All-Star Game	see website
Nov 22	Shareholder Value Destruction following the Tiger Woods Scandal	see website
Nov 24	NO CLASS: THANKSGIVING DAY	
Nov 29	Promotion and Relegation in Sports Leagues	see website
Dec 1	Review for Final Exam	
Dec 8	FINAL EXAM (1:30pm - 3:18pm in SO 024)	