Description, Scope, and Objectives

This MBA elective course applies microeconomic analysis to professional and amateur sports. Appropriate examination of sports economics requires coverage of advanced fields of specialization within economics. These include industrial organization, labor economics, and public finance. Ultimately, the principal objective of the course is for students to have a more complete understanding of the economic issues affecting the world of sports. You will be able to comment intelligently on economic issues of sports that appear in the news media, such as the impact of the draft system, as well as assess and critique the opinions offered by journalists on, for example, the pay and performance of professional sportsmen and women. This is a unique opportunity to understand why there has been a recent explosion in economists looking both at the market of sports and using sports data to explain or test theories about the wider business world.

Textbook

**Course assessment**

The course assessment is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class participation</td>
<td>20%</td>
</tr>
<tr>
<td>Midterm</td>
<td>40%</td>
</tr>
<tr>
<td>Final</td>
<td>40%</td>
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For the midterm and final, each participant is permitted to bring one sheet of paper (8½ by 11 inches) with notes on both sides, to refer to during the exam.

**Class Participation**

Class participation will be evaluated on the basis of contributions to class discussions. In the evaluation, quality is more important than quantity. In addition, the evaluation of class participation could be affected adversely by lack of attendance or creating negative classroom externalities.

**Responsibilities**

We are all adults.

- As the teacher I have the *responsibility* to organize and present the material and to facilitate your learning.
- As a student you have *responsibility* for your own learning.
- You are responsible for complying with Stern’s Honor Code. The Honor Code requires each student to act with integrity in all academic activities and to hold his or her peers to the same standard. No lying, cheating, or plagiarism of published work, work posted on the web, or work done by other students will be tolerated. Any suspected case will be referred to the School’s student discipline committee.
- Actions that have negative effects on others will not be tolerated in the classroom. If you must arrive late or leave early, you must do so as quietly as possible. No cell phones should be audible during class sessions.

**Course Website**

I will maintain a website for the course using NYU Classes. The website will include announcements and downloadable files with all the class handouts.
Teaching Fellow

The teaching fellow for the course is Mr. Aniruddha Barua. His e-mail address is ab4763@stern.nyu.edu.

Tentative Course Schedule and Readings

I have lined up several guest speakers for the course. As you might imagine, scheduling guest speakers is not an easy task and it may be the case that we have to switch dates for a topic or two, but I am hoping to keep the disruption, if any, to a minimum. In any case, all of the topics that we cover are very much self-contained and switching dates should not affect the learning process.

Tuesday, February 4 - Introduction to Sports Economics

L&VA, pp. 3-4, 90-98

Tuesday, February 11 - Sports Franchises as Profit-Maximizing Firms

L&VA, pp. 63-86, 102-109

Tuesday, February 18 - Competitive Balance

L&VA, pp. 151-174

Tuesday, February 25 - Public Finance of Sports: Who Benefits and How?

L&VA, pp. 183-208, 211-212

Tuesday, March 4 - Public Finance of Sports: Who Benefits and Why? + Midterm

L&VA, pp. 212-214

Tuesday, March 11 - Public Finance of Sports: Who Pays and Why?

L&VA, pp. 219-245
**Tuesday, March 25 - Introduction to Labor Markets in Professional Sports**
L&VA, pp. 251-265

**Tuesday, April 1 - Moneyball**
L&VA, pp. 174-176

**Tuesday, April 8 - Economics of Tournaments and Superstars**
L&VA, pp. 265-278

**Tuesday, April 15 - Labor Market Imperfections**
L&VA, pp. 289-304, 311-315

**Tuesday, April 22 - Amateurism and College Sports**
L&VA, pp. 136-142, 359-397

**Tuesday, April 29 - Motor Racing and Cricket**


**Tuesday, May 6 – Course Wrap-up**