

ECONOMICS OF SPORTS
ECONOMICS 2182B– 001
Department of Economics
Western University

Instructor: Jeannie Shearer

January 2018

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Office Hours

Monday: 11:00 am. – 12:00 p.m.

Tuesday: 1:00 p.m. – 2:00 p.m.

Classes Meet:

Monday, Wednesday, Friday 3:30-4:20 p.m. B&GS 0165

Course website: <https://owl.uwo.ca/portal>

Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

Registration

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note

Prerequisites: Economics 1021A/B and Economics 1022A/B or Economics 1020 or Economics 2001A/B.

Prerequisite(s) for your course found at: <http://westerncalendar.uwo.ca/2017/pg904.html>

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of pre-requisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Objective

To use basic economic models to describe, predict, and analyze outcomes in the world of sports.

Learning Outcomes

After successful completion of Economics 2182, the student will be able to

1. Describe how teams use player talent to generate wins and how the law of diminishing returns impacts teams' decisions
2. Explain the role that leagues play in teams' pursuit of wins and profits
3. Understand why owners and fans care about competitive balance
4. Show how a new facility can increase a team's revenue stream and impact a local economy
5. Comprehend the ways that sports teams and leagues exercise monopoly power in their dealings with municipalities

Suggested Textbook

The Economics of Sports, fifth edition, by Michael A. Leeds and Peter von Allmen – this is a suggested textbook and is not required.

Website

The course schedule, course notes and announcements are found on your Owl course website at (Do NOT send me emails through OWL. Please use my UWO email address.)

How To Do Well In The Course

- Read the relevant paper before the lecture.
- Do not miss a lecture.
- Participate in the class discussions.

In The Classroom

- Surfing the web, emailing or facebooking friends, family, and classmates, electronic chatting, text messaging, and other similar behaviour is prohibited in the classroom.
- Cell phones must be turned to vibrate before entering the classroom.

ASSESSMENT:

Assignment	10%
Quizzes (best 2 out of 3)	10%
Midterm Exam (February 14 during class)	30%
Final Exam	50%

COURSE OUTLINE

Lecture Hour	Date	Topic
1	Monday January 8	Introduction to the course Babe Ruth and comparative advantage
2	Wednesday January 10	Did Babe Ruth Have a Comparative Advantage as a Pitcher? Edward M. Scahill, Journal of Economic Education
3	Friday January 12	Did Babe Ruth Have a Comparative Advantage as a Pitcher? Edward M. Scahill, Journal of Economic Education
4	Monday January 15	Supply and Demand, and the market for baseball cards
5	Wednesday January 17	An introduction to linear regression
6	Friday January 19	Linear regression
7	Monday January 22	Linear regression
8	Wednesday January 24	Quiz on concepts of linear regression Customer racial discrimination for baseball memorabilia Gabriel, Johnson, and Stanton, Applied Economics
9	Friday January 26	Maximizing profit vs maximizing wins
10	Monday January 29	Sources of team revenue
11	Wednesday January 31	A Stadium by Any Other Name, The Value of Naming Rights, Leeds, Leeds, Pistolet, Journal of Sports Economics
12	Friday February 2	Field Study and Groundhog Day
13	Monday February 5	Super Bowl Quiz and Linear Regression Assignment due at beginning of class
14	Wednesday February 7	The Short Supply of Tall People, Berri, Brook, Frick, Fenn, and Vincente-Mayoral Journal of Economic Issues
15	Friday February 9	How do cities benefit from teams, facilities, and events?
16	Monday February 12	Exam review
17	Wednesday February 14	Midterm exam Multiple choice and short answer format
	Friday February 16	No class
	Monday February 19	Reading week – no class
	Wednesday February 21	Reading week – no class
	Friday February 23	Reading week – no class
18	Monday February 26	Do New Digs mean More Wins? Quinn, Bursik, Borick, Raethz Journal of Sports Economics

19	Wednesday February 28	Introduction to labour markets in professional sports
20	Friday March 2	Discrimination
21	Monday March 5	Salary Discrimination in the National Hockey League: The Effects of Team Location Longley, Canadian Public Policy
22	Wednesday March 7	Competition and Pay for National Hockey League Players Born in Quebec Curme and Daugherty, Journal of Sports Economics
23	Friday March 9	Quiz and discussion on Moneyball, written by Michael Lewis
24	Monday March 12	An Economic Evaluation of the Moneyball Hypothesis Hakes and Sauer, Journal of Economic Perspectives
25	Wednesday March 14	An Economic Evaluation of the Moneyball Hypothesis Hakes and Sauer, Journal of Economic Perspectives
26	Friday March 16	Performance Enhancing Drugs
27	Monday March 19	Labour Market Imperfections
28	Wednesday March 21	Labour Market Imperfections
29	Friday March 23	Monopoly and Antitrust
30	Monday March 26	The Economics of Amateurism and College Sports
31	Wednesday March 28	Student determined topic
	Friday March 30	Good Friday—no class
32	Monday April 2	Student determined topic
33	Wednesday April 4	Student determined topic
34	Friday April 6	Student determined topic
35	Monday April 9	Exam Review

Please Note
Department Policies for 2017 – 2018

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at <http://westerncalendar.uwo.ca>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2017/pg136.html>.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offence Policy in the current UWO Academic Calendar at <http://westerncalendar.uwo.ca/2017/pg113.html>).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.
6. When appealing a mark, students should refer to the University’s Procedures in the current UWO Academic Calendar (<http://westerncalendar.uwo.ca/2017/pg112.html>). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at

http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals).

7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

8. Note the following add and drop deadlines:

Last day to **add** a 2nd term half course:
Tuesday, January 16th, 2018

Last day to **drop** 2nd term half course without academic penalty:
Wednesday, March 7th, 2018

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

Policy Regarding Makeup Tests and Final Examinations

*Academic accommodation will **not** be granted automatically on request. You **must** demonstrate by documentation that there are **compelling** medical or compassionate grounds before academic accommodation will be considered.*

If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your *home* Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf. Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counsellor. If your documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your *home* Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Undergraduate Director and that the form is returned to the Academic Counselling Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

Information about the Faculty of Social Science's policies regarding academic accommodation is found on its website at <http://counselling.ssc.uwo.ca/procedures/havingproblems.asp> or in Social Science Room 2105. Your "Academic Rights and Responsibilities" are also outlined in the current UWO Calendar at <http://westerncalendar.uwo.ca/2017/pg111.html>. Claiming that "you didn't know what to do" is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

Statement on Mental Health and Support Services

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit <http://www.uwo.ca/uwocom/mentalhealth/> for more information and a complete list of resources, as well as how to obtain help.