

**ECONOMICS OF SPORTS**  
**ECONOMICS 2182B-001**  
Department of Economics  
Western University

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Course Outline

**CLASSES**

Monday, Wednesday, Friday 3:30-4:20 p.m.  
Classroom: B&GS 0153

**OFFICE HOURS**

Monday: 10:30 am. – 11:30 a.m.  
Wednesday: 12:00 p.m. – 1:00 p.m.

Undergraduate Enquiries: 519-661-3507 or Social Science Centre Room 4075 or  
[econugrd@uwo.ca](mailto:econugrd@uwo.ca)

**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

**Registration**

You are responsible for ensuring you are registered in the correct courses. If you are not registered in a 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 2001A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites. Lack of prerequisites 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.

**Suggested Textbook:**

*The Economics of Sports*, fifth edition, by Michael A. Leeds and Peter von Allmen

**Websites:**

The course schedule, course notes and announcements are found on your Owl course website at <https://owl.uwo.ca> (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 will be turned to vibrate before entering the classroom.

**ASSESSMENT:**

Quizzes (4 quizzes, 5 marks each)	20%
Midterm Exam (TBD)	30%
Final Exam	50%

## COURSE OUTLINE

Lecture Hour	Date	Topic
1	Monday January 9	Introduction to the course Babe Ruth and comparative advantage
2	Wednesday January 11	Did Babe Ruth Have a Comparative Advantage as a Pitcher? Edward M. Scahill, <i>Journal of Economic Education</i>
3	Friday January 13	Did Babe Ruth Have a Comparative Advantage as a Pitcher? Edward M. Scahill, <i>Journal of Economic Education</i>
4	Monday January 16	Supply and Demand, and the market for baseball cards
5	Wednesday January 18	An introduction to linear regression
6	Friday January 20	<b>Quiz on concepts of linear regression</b> Customer racial discrimination for baseball memorabilia Gabriel, Johnson, and Stanton, <i>Applied Economics</i>
7	Monday January 23	Maximizing profit vs maximizing wins
8	Wednesday January 25	Sources of team revenue
9	Friday January 27	A Stadium by Any Other Name, The Value of Naming Rights, Leeds, Leeds, Pistolet, <i>Journal of Sports Economics</i>
10	Monday January 30	Competitive Balance
11	Wednesday February 1	Competitive Balance
12	Friday February 3	Field Study
13	Monday February 6	<b>Super Bowl Quiz</b> , discussion of game and advertising. Who benefits?
14	Wednesday February 8	The Short Supply of Tall People, Berri, Brook, Frick, Fenn, and Vincente-Mayoral, <i>Journal of Economic Issues</i>
15	Friday February 10	How do cities benefit from teams, facilities, and events?
16	Monday February 13	Exam review
17	Tuesday February 14	<b>Midterm exam, time and place to be announced.</b> <b>Note that this midterm exam replaces class on</b> <b>Wednesday February 15.</b>
	<b>Friday February 17</b>	<b>No class</b>
	<b>Monday February 20</b>	<b>Reading week – no class</b>
	<b>Wednesday February 22</b>	<b>Reading week – no class</b>
	<b>Friday February 24</b>	<b>Reading week – no class</b>
18	Monday February 27	Do New Digs mean More Wins? Quinn, Bursik, Borick, Raethz, <i>Journal of Sports Economics</i>
19	Wednesday March 1	Introduction to labour markets in professional sports
20	Friday March 3	Discrimination
21	Monday March 6	Salary Discrimination in the National Hockey League: The Effects of Team Location Longley, <i>Canadian Public Policy</i>
22	Wednesday March 8	Competition and Pay for National Hockey League Players Born in Quebec Curme and Daugherty, <i>Journal of Sports Economics</i>
23	Friday March 10	<b>Quiz</b> and discussion on Moneyball, written by Michael Lewis
24	Monday March 13	An Economic Evaluation of the Moneyball Hypothesis Hakes and Sauer, <i>Journal of Economic Perspectives</i>

25	Wednesday March 15	Performance Enhancing Drugs
26	Friday March 17	Labour Market Imperfections
27	Monday March 20	Labour Market Imperfections
28	Wednesday March 22	Monopoly and Antitrust
29	Friday March 24	<b>Quiz on Monopoly and Antitrust</b> The Economics of Amateurism and College Sports
30	Monday March 27	Student determined topic
31	Wednesday March 29	Student determined topic
32	Friday March 31	Student determined topic
33	Monday April 3	Exam review
34	Wednesday April 5	Exam review
	Final Exam	Time and date TBD

**Please Note**  
**Department Policies for 2016 – 2017**

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/2016/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/2016/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/2016/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](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 first term half course:  
**Friday, January 13<sup>th</sup>, 2017**

Last day to **drop** first term half course without academic penalty:  
**Tuesday, March 7<sup>th</sup>, 2017**

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](mailto: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](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 Counselor. If your documentation is judged sufficient, the academic counselor 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 Counseling 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/2016/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.