

**ECON 315**  
**Sports Economics**  
**Fall 2016**

**Professor:** Dr. Mark Hoekstra

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**Office Hours:** Tuesday 1:15 - 3:00 pm. Additional office hours will be held prior to exams. In addition, feel free to stop by anytime I am in my office, which is often. You are also welcome to make an appointment via email to ensure I will be able to meet with you at a certain time.

**Class Website:** eCampus, accessed at <http://ecampus.tamu.edu/>.

**Class Meeting Times:** Section 501: 10:20 – 11:35 (Allen 1002)

Section 502: 11:55 – 1:10 (Allen 1002)

**Teaching Assistant (for all quiz-related concerns and inquiries):** [Econ315Grader@gmail.com](mailto:Econ315Grader@gmail.com)

**Course Overview:** This course introduces students to the fields of microeconomics by examining how economic concepts apply to the business and practice of sports. Fields of study include game theory, labor economics, public finance, industrial organization, and the economics of information. Questions addressed include whether taxpayers should help fund sports stadiums, how much professional athletes are “worth” to their teams, how imperfect information affects decision-making, which pricing strategies teams (or anyone!) can use to increase profits, how economists test for different types of discrimination in sports, and what it means for sports betting markets to be efficient. Importantly, the concepts studied will also be examined in contexts outside of sports.

**Prerequisites:** ECON 202 - Principles of Economics (Microeconomics)

**Learning Outcomes:** Students who successfully complete this course will be able to do the following:

- i. Recognize how incomplete information affects optimal decision-making
- ii. Analyze the costs and benefits of public works projects like sports stadiums
- iii. Articulate the purpose of sports leagues, identify the mechanisms used to achieve their goals, and theoretically and empirically assess the degree to which they are successful
- iv. Identify and implement optimal pricing strategies for maximizing profits
- v. Predict behavior and outcomes in games of strategic interaction, and develop optimal responses
- vi. Describe the theoretical causes and consequences of monopsony power, and assess the extent of monopsony power in labor markets
- vii. Describe the types, sources, and consequences of labor market discrimination
- viii. Take steps to improve your bargaining position; detect and counteract negotiation tactics used against you
- ix. Define the concept of market efficiency, and assess evidence for and against market efficiency

**Course Text:** There is no textbook that accompanies this course. You may wish to read selected chapters from *Economics of Sports* by Michael Leeds and Peter von Allmen, though I do not require it. Any edition of the book is fine, so if you wish to have your own copy, feel free to buy the least expensive used copy you can find. Two copies of the book are on reserve at the Political Science and Economics Library (PSEL). Chapters from other non-sports economics textbooks also will be made available.

## Grades

- Quizzes: 25%
- Exams:
  - Midterm Exam I (Tuesday, October 11): 25%
  - Midterm Exam II (Thursday, November 17): 25%
  - Final Exam (Friday, December 9): 25% (the final is cumulative)

All grading appeals must be made in writing and within one week after the item was graded and returned. After that, the grade will not be changed.

### Grading Scale:

A	85.0% +
B	75.0 – 84.99%
C	65.0 – 74.99%
D	55.0 – 64.99%
F	Below 55%

**Quizzes:** A quiz will be given in class each day unless notified otherwise in the preceding class. The purpose of the quizzes, which are worth 3 points each, is to test how well you understand the topics covered in the previous lecture and the assigned reading (if applicable). You must take the quiz with the section of the course in which you are enrolled to earn a positive score. The lowest two quiz scores will be dropped for students who turn in the required 4x6 card by the second week of classes.

**Make-up Exam/Quiz Policy:** Make-up exams and quizzes will only be given for officially excused absences as outlined in Academic Rule 7 (<http://student-rules.tamu.edu/rule07>); absences must be documented in line with Rule 7. If you miss an exam, you must email Professor Hoekstra within 48 hours to alert him of the situation. If you miss a quiz, you must email [Econ315Grader@gmail.com](mailto:Econ315Grader@gmail.com) within 48 hours in order to provide documentation to excuse the absence.

**Americans with Disabilities Act:** The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact Disability Services, currently located in the Disability Services building at the Student Services at White Creek complex on west campus or call 979-845-1637. For additional information, visit <http://disability.tamu.edu>.

**Cheating Policy:** An Aggie does not lie, cheat, or steal, or tolerate those who do. Violations of the honor code will result in a grade of 0 on that exam and a referral to the Honor System Office. See <http://aggiehonor.tamu.edu/> for more information.

**Lateness and Courtesy:** Out of respect for your instructor and your classmates, please arrive to class on time and turn off all cell phones during class.

### **Additional Information Required by Texas A&M University:**

Texas A&M University has identified student learning outcomes that describe our institutional commitment to your educational goals. These include the ability to demonstrate critical thinking, effective communication, and social, cultural, and global competence. Please see: [http://provost.tamu.edu/essentials/pdfs/copy\\_of\\_UndergraduateLearningOutcomesFinal.pdf](http://provost.tamu.edu/essentials/pdfs/copy_of_UndergraduateLearningOutcomesFinal.pdf).

# Course Outline

Topics listed are tentative, but exam dates are final		
Week	Action	Topics
Week 1		
Tuesday, August 30		Introduction
Thursday, September 1		Risk Analysis
Friday, September 2	Last Day to Drop/Add (5 pm)	
Week 2		
Tuesday, September 6		Risk Analysis
Thursday, September 8		Risk Analysis
Week 3		
Tuesday, September 13		Information
Thursday, September 15		Public Finance
Week 4		
Tuesday, September 20		Public Finance
Thursday, September 22		Leagues
Week 5		
Tuesday, September 27		Leagues
Thursday, September 29		Strategic Pricing
Week 6		
Tuesday, October 4		Strategic Pricing
Thursday, October 6		Strategic Pricing
Week 7		
<b>Tuesday, October 11</b>	<b>Midterm Exam I</b>	<b>Midterm Exam I</b>
Thursday, October 13		Game Theory
Week 8		
Tuesday, October 18		Game Theory
Thursday, October 20		Game Theory
Week 9		
Tuesday, October 25		Game Theory
Thursday, October 27		Game Theory
Week 10		
Tuesday, November 1		Labor Economics
Thursday, November 3		Labor Economics
Week 11		
Tuesday, November 8		Labor Economics
Thursday, November 10		Labor Economics
Week 12		
Tuesday, November 15		Labor Economics
<b>Thursday, November 17</b>	<b>Midterm Exam II</b>	<b>Midterm Exam II</b>
Friday, November 18	Last Day to Q-Drop Course (5 pm)	
Week 13		
Tuesday, November 22		Negotiation
Thursday, November 24	Thanksgiving	NO CLASS
Week 14		
Tuesday, November 29		Negotiation
Thursday, December 1		Sports Betting Markets
Week 15		
Tuesday, December 6		Sports Betting Markets
<b>Friday, December 9 at 1 pm</b>	<b>Final Exam for Section 501 (the 10:20 am section)</b>	
<b>Friday, December 9 at 3 pm</b>	<b>Final Exam for Section 502 (the 11:55 am section)</b>	