

Seton Hall University
Stillman School of Business
BSPM/ECON 7220
Sport Finance

Tuesday 6:30-9:35 pm, January 17 – April 6 (10 weeks)
Room JH 112

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“The mission of the Stillman School of Business is to enrich each student’s life through an ethics-centered education focusing on transforming concepts into business practice.”

Course description:

Dan Champeau and Chad Lewis, both with Fitch’s Global Project Finance, were interviewed and asked ‘what are the essential skills needed for your job?’ They responded with a core understanding of sports franchises, league economics, and the relationship between the two; a strong financial background including the ability to analyze financial statements; financial modeling and forecasting; legal aspects of bond transactions; and understanding demographic elements in an area that could impact a transaction. (IJSF, Feb 2007)

This course will focus on understanding the way sport franchises are set up and how they relate to the economics of the league. We will also spend time looking at financial modeling, and how it is applied to the sports industry, along with some time on demographic effects. (The legal aspects can be learned in Sports Law and the ability to analyze financial statements can be acquired in Financial Statement Analysis). Ethical issues will also be discussed during the Price Discrimination, Economic Impact, and Public Funding sections.

Text: Required: ·*International Journal of Sport Finance* (Available through SHU)
·*Journal of Sports Economics* (Available through SHU Library)
Recommended: ·Dennis R. Howard and John L. Crompton, *Financing Sport*, 2nd Ed.
·Michael Leeds and Peter von Allmen, *The Economics of Sports*, 2nd Ed.

Academic and Professional Integrity:

‘All forms of dishonesty, whether by act or omission, including, but not limited to, cheating, plagiarism and knowingly furnishing false information to the University, are prohibited.’

All graded work must be your own (unless specified that working with others is acceptable). This includes all quizzes and exams. It is your responsibility to ensure that your behavior conforms fully to the spirit of the academic integrity statement. If you have any questions, do not hesitate to ask. Failing to do so will be taken seriously and result in a failure of the course. This will also be reported to the Dean.

Attendance:

Classroom attendance is highly encouraged. I will be in class on time, so the same is expected of you. In the rare event I am not, you are to give me 10 minutes (according to nist.time.gov). If I have not arrived by that time class is dismissed for the day. Also, please make sure to turn off all cell phones or other noise making devices during class.

<u>Grading:</u>	<u>EXAM</u>	<u>WEIGHT</u>
85% Exams:	First (In-term)	35%
	FINAL EXAM	50%
15% Homework and In-class work:		<u>15%</u>
	Total:	100%

Grading scale:

As an idea of what you might expect, I tentatively offer the following, assuming an 88 average: (There will be no credit given post final exam.)

92-100 A, 90-91 A-, 86-89 B+, 82-85 B, 80-81 B-, 76-79 C+, 72-75 C, 70-71 C-,
66-69 D+, 60-65 D, <60 F

I say 'tentatively' because all curving of grades will be done by shifting the grading scale rather than adding points. As an example, if an average is 82 the grading scale would be:

88-100 A, 85-87 A-, 80-84 B+, 73-79 B, 70-72 B-, 65-69 C+, 58-64 C, 55-57 C-,
50-54 D+, 45-49 D, <44 F

Homework and In-class work:

There will be work assignments given to do both at home and/or in-class. If it is a homework assignment you are working on, you may discuss ideas with people (including myself) and can turn in assignments with up to four names on them (all people will receive the same credit). All work will be given throughout the semester as the class material warrants. Late work will lose one point a minute until its value is zero.

Exams

You are expected to be in class for the exams. However, with a legitimate excuse, one of the exams can be made up outside of the classroom (one exam must be taken with the class).

Presentations

Each person will give at one presentation. These will be given mainly the second half of the semester. The grading structure for these will be given to the class before the first presenter goes.

Work & Skills

The course applies Finance and Economic Models to issues in sports. The prerequisite for this class is BMBA 9113 (Finance and Economics). I expect you to have a solid grasp of that class along with a working knowledge of statistics and math. Intermediate texts may be useful to refresh your memory from time to time.

Important dates:

Last day to Add/Drop	January 24 th
First Exam	February 20 th
Withdraw date without consent	February 23 rd
Withdraw date with consent	March 12 th
FINAL EXAM	April 3 rd

<u>Week of</u>	<u>Topic</u>
Jan 22	Introduction Monopoly (Monopsony)
Jan 29	Monopoly (continued) and Price Discrimination
Feb 5	Elasticity and Stats
Feb 12	MRP
Feb 19	Exam
Feb 26	Valuation
Mar 5	Spring Break!
Mar 12	Markets and the Alchain-Allen Theorem
Mar 19	Economic Impact and Public Subsidies
Mar 26	Competitive Balance
Apr 2	Exam

Note: If we move more quickly or more slowly through the material, we will maintain the exam dates.

Readings will be given as need from IJSF, JSE, the web, the library, and my website. The official schedule for the presentations will be listed on my website.