

**SYLLABUS**  
**Sport Finance (KINS 4520/6520)**  
**Fall 2007**

**Instructor:** Joel Maxcy  
**Telephone:** 706.542.4420  
**Office Hours:** T,TH 2:30- 4:30 PM and by appointment

**Office:** 363 Ramsey  
**e-mail:** jmaxcy@uga.edu

*Note: Students enrolled in this class are responsible for all information contained in the syllabus.*

**Required Course Materials:**

**WebCT:**

This is a WebCT class. Course information and reading materials will be posted on the Sport Finance WebCT page.

WebCT is an online course management and instructional service used in many courses at the University of Georgia. You will need a UGA MyID to access WebCT. If you have a UGA email account (and you should), then you already have a MyID: the name and password to your UGA email account. If you do not have a MyID yet, you should get one as soon as possible. You may obtain a UGA MyID from [www.arches.uga.edu/myid](http://www.arches.uga.edu/myid). You may access the WebCT site for this course from your MyWebCT page at [webct.uga.edu](http://webct.uga.edu).

This syllabus will be available there as well as homework assignments. If you miss a day of class, then you should visit the WebCT site for this class to obtain the homework assignment.

For further information on how to use WebCT, go to <http://webct.uga.edu/www/student/guide/>. If you are having trouble getting WebCT to work with your web browser, go to <http://webct.uga.edu/www/helplets/browser/>. other student resources and informative links are at <http://webct.uga.edu/www/student.html>.

*Street & Smith's [Sports Business Journal](#)*. All students are required to have access to the publication. Order forms are found at the following link.  
<http://www.sportsbusinessdaily.com/images/articles/SBD2007072410-08.pdf>

**Texts:** *Financing Sport*, 2<sup>nd</sup> Edition. Dennis R. Howard and John L. Crompton or *Sports Economics* by Rodney Fort, (2005), Prentice Hall: Upper Saddle River, NJ

**Supplemental Sources:** Lectures may refer to other articles in books, most available in the library. These are recommended for additional depth, topics of special interest, and to help you answer essay questions.

*Sports, Jobs, and Taxes*, Roger Noll and Andrew Zimbalist Ed. 1997, The Brookings Institution

*Pay Dirt: The Business of Professional Team Sports* by James Quirk and Rod Fort.  
*Baseball and Billions* by Andrew Zimbalist, 1994 Basic Books (Harper Collins)

*The Market Structure of Sports* by Gerald Scully, 1995 University of Chicago Press

### **Course Objectives**

The objective of this course is to analyze the relationship between finance and the sport industry. Over \$250 billion are spent each year by sport consumers. As the industry grows, there is an added emphasis on the financial aspects of sport. This course examines a variety of financial management issues relevant to major professional sports franchises, and the corporations that use sports as a vehicle for promotion. Students will study the basics of finance and economics and apply the theory to sport organizations. Emphasis will also be placed on the financial and economic aspects of public finance of sport facility construction and other forms of subsidization of the sports industry. In addition, important current financial issues will be discussed as they relate to professional sports leagues and collegiate athletics.

The course will focus on developing the skills necessary to apply financial analysis principles to sports-related topics. Major topics include key characteristics of professional sports organizations, principal sources of financing – public and private, a summary of financial management principles, tax incentives, sources of cash flow, risk management, and economic impact studies.

### **Course Methods**

The course will be conducted in a discussion/lecture format. All students should be prepared to discuss the pertinent subject matter for each class session by having read the assignments and/or having at least attempted any assigned exercises. Homework will be assigned- in some cases this will include group work and presenting and leading discussions on material from outside readings and the text. Participation determines part of your grade. This includes both class discussion and the periodic posts to the WebCT discussion board. I will ask that you provide input and opinion from the assigned readings and other sources in both forums. An attendance sheet will be distributed prior to each class. You will each write brief article reviews from the *SBJ* (10 of 12 weeks). Students in groups of two or three will also serve as in-class and on-line discussion leaders for *SBJ* topics of their choice. (Details of the *SBJ* assignments are posted on a separate sheet.) Graduate (6520) students will contact a literature review on a sport finance topic of their choice. Details will be provided on a separate sheet.

Exams will consist of a two mid-terms and a final. The exams will be comprised of problems and essays.

### **Assessment Values 4520**

2 Mid-Term Exams	50%
Final Exam	25%
Assignments, <i>SBJ</i>	15%
Participation, Attendance	10%
<b>Total</b>	<b>100%</b>

**Assessment Values 6520**

2 Mid-Term Exams	40%
Final Exam	20%
Literature Review	20%
Assignments, <i>SBJ</i>	20%
<b>Total</b>	<b>100%</b>

**Basis for Final Grades**

Plus – Minus System: A 93-100%; A- 90-92%; B+ 88-89%; B 83-87%; B- 80-82%; C+ 78-79%; C 73-77%; C- 70-72%; D+ 68-69%; D 63-67%; D- 60-62%; F <60%

**Attendance Policy**

Attendance is your responsibility, but given the design of this course being present is essential. Attendance will be recorded for each class and determines your participation score. When absent, you are responsible for meeting course requirements regardless of the circumstances.

**University Honor Code and Academic Honesty Policy**

UGA Student Honor Code: *“I will be academically honest in all of my academic work and will not tolerate academic dishonesty in others.”*

Any student caught engaging in any type of academic dishonesty will automatically be referred to the Student Judiciary. A Culture of Honesty, the University’s policy and procedures for handling cases of Student Judiciary. A Culture of Honesty, the University’s policy and procedures for handling cases of suspected dishonesty, can be found at <http://www.uga.edu/honesty/> Please read the information so that you can understand how the term “academic dishonesty” is defined on this campus.

## Tentative Course Outline

Week	Topic	Readings
Aug.16	Syllabus Review, Course Description, Student Questionnaires, Student Introductions	
Aug. 21-23	Financial Management Basics Business Structure and Financial Systems Financial Statements- Balance Sheets, Income Statements	Handout: Overview of Traditional Finance  Class Notes Other handouts and web readings
Aug. 28- 30	Financial Ratios, Budgeting Basics of the Time Value of Money- Compounding, Present Value & Discounting, Annuities,	Class Notes Other handouts and web readings
Sept. 4-6	Risk Management and Portfolio Theory Stocks & Bonds	Class Notes
Sept. 11- 13	Capital Budgeting	Class Notes
Sept. 18-20	<b>Midterm 1 September 18</b> Overview of the Professional Sports Industry Challenges of Financing Sport	H&C Chapter 1&2
Sept. 25-27	Revenue Sources in Sports I Gate Revenue	Class Notes H&C Chapter 9 Fort, Chapter 2
Oct. 2- 4	Revenue Sources in Sports II PSL, Luxury Boxes & Other Stadium Revenue	Class Notes H&C Chapter 7 (11)
Oct. 9-11	Revenue Sources in Sports III Broadcast Revenue Sponsorships	Class Notes H&C Chapter 10, 12 Fort, Chapter 3
Oct.16-18	Costs in Sports - Labor  Film: Net Worth	Fort, Chapter 6-7 Class Notes
Oct. 23	Costs in Sports - Labor Relations	Fort, Chapter 8

Oct. 30- Nov. 1	<b>Midterm 2 November 1</b> Costs in Sports Sports Facilities Economic Theory: Cost-Benefit Analysis	Fort Chapter 9, Class Notes Other handouts and web readings
Nov. 6-Nov 8	Costs in Sports Feasibility Studies Economic Impact Analysis	H&C Chapters 3-4
Nov. 13- 20	Costs in Sports Contingent Valuation Method, Case studies	Fort Chapter 10
Nov. 27 – Dec.6	League Financial Issues Player Values, Salary Caps, Revenue Sharing	Class Notes <a href="#">Doug Pappas: Business of Baseball pages</a> Other handouts & web readings Class Notes
Dec. 10-14	<b>Final Exam will be during Finals Week at the appointed time</b>	