



**M-ISM-6-05-XX-02-E**

## **Economics and finance of professional teamsports**

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<b>CLASSROOM(S)</b>	
<b>COURSE HOURS</b>	

<b>COURSE DELIVERABLE</b>	<b>DUE DATE</b>	<b>WEIGHT ON FINAL GRADE</b>
Written examination		100 %

**Euromed Management et ses professeurs vous encouragent à considérer vos Pro-Acts, vos missions entreprises et vos stages comme des occasions privilégiées pour l'application des réflexions, des théories, des concepts et des outils présentés durant ce cours**

## INTRODUCTION AND OBJECTIVES

### *Course Purpose & Objectives*

To introduce students to a global comprehension of sports culture and finance  
 To give students a large vision of sports history through different examples  
 To introduce student to Sport Marketing and Economic Models  
 To give students a strong vision of media landscape and its role in sport development

Creation of a Sport Event business model (group assessment)  
 Media activation for sporting events  
 Writing reports related to sport marketing and finance  
 Develop skills in Finance and accounting analysis

### *Course Contribution to Cluster Learning Goals*

The Economic Theory of Professional Team Sports is undoubtedly a classic in the field which every student and professional in sports businesses sectors.

### *Course Contribution to Application of Critical Thinking*

Students should analyse economic environment in the area of sport business to understand sports team and events business models and economic development. They will identify sport asset and key indicators, develop and implement analysis capabilities

### *Course Description*

This seminar explores the special characteristics of the industry, analysing the product and player labour market under both the profit- and win-maximisation hypothesis. He then goes on to investigate the impact of different league regulations such as the transfer system, revenue sharing arrangements and salary caps.

## COURSE MATERIAL

### *Binder*

Detailed class files are provided. They contain slides for class presentation, cases and articles to read and prepare for class meetings. All the necessary data files will be found in Doc-Echange. The textbook is intended as supplementary reading and a source of additional examples for better understanding of the material.

## References

Buraimo B, Forrest D and Simmons R, forthcoming, 'Insights for clubs from modelling match attendance in football', *Journal of the Operational Research Society*

Disney, Richard, Remuneration of sports stars: implications for regulation, CPE Working Paper 3/06. May 2006.

Forrest D and Simmons R, 2008, 'Sentiment in the betting market on Spanish football', *Applied Economics*, vol 40(1), pp 119-126

Forrest D, Goddard J and Simmons R, 2005, 'Odds-setters as forecasters: the case of the football betting market', *International Journal of Forecasting*, vol 21(3), pp 552-564

Forrest D and Simmons R, 2005, 'Efficiency of the odds on English professional football matches', in *Information Efficiency in Financial and Betting Markets*, (eds) Vaughan Williams L, Cambridge University Press, Cambridge, pp 330-338, ISBN: 0521816033

Kesenne S. (1983), Substitution in Consumption, an application to the Allocation of Time, *European Economic Review*, 23, pp. 231-239.

Kesenne S. (1994), Can a Basic Income cure Baumol's disease?, *Journal of Cultural Economics*, 18/2, pp. 93-100.

Kesenne S. (2000), Revenue Sharing and Competitive Balance in Professional Team Sports, *Journal of Sports Economics*, 1/1, pp. 56-65.

Kesenne S. (2000), The Impact of Salary Caps in Professional Team Sports, *Scottish Journal of Political Economy*, 47/4, pp. 422-430

Kesenne S. and Szymanski S. (2004), Competitive Balance and Gate Revenue Sharing in Team Sports, *Journal of Industrial Economics*, 51/4, 513-525

Kesenne S. and Pauwels W. (2006), Club Objectives and Ticket Pricing in Professional Team Sports, *Eastern Economic Journal*, 32/3, 549-560

Kesenne S. (2007), *The Economic Theory of Professional Team Sports, an analytical treatment*, E. Elgar, 162 p.

Simmons R and Frick B, forthcoming, 'The impact of managerial quality on organizational performance: evidence from German soccer', *Managerial and Decision Economics*

Simmons R and Frick B, 2008, 'The allocation of rewards in athletic contests', in *The Business of Sports, Vol.2*, (eds) Howard DR and Humphreys BR, Praeger Publishers, Westport, ISBN: 027599340X

Simmons R and Frick B, 2008, 'Pay and performance of players in sports leagues: international comparisons', in *The Business of Sports, Vol.2*, (eds) Howard DR and Humphreys BR, Praeger Publishers, Westport, ISBN: 027599340X

Simmons R, 2008, 'Gambling', in *The Economics of Prohibition*, (eds) Meadowcroft J, Institute of Economic Affairs, London

Simmons R, 2008, 'Fan pressure and football outcomes', in *Myths and facts about football: the economics and psychology of the world's greatest sport*, (eds) Andersson P, Ayton P and Schmidt C, Cambridge Scholars Publishing, Newcastle, ISBN: 184718622X

Simmons R, Buraimo B and Forrest D, 2007, 'Freedom of entry, market size and competitive outcome: evidence from English soccer', *Southern Economic Journal*, vol 74(1), pp 204-213

Simmons R, 2007, 'Overpaid athletes? Comparing American and European football', *WorkingUSA: The Journal of Labor and Society*, vol 10(4), pp 457-471

Simmons R and Forrest D, 2006, 'New issues in attendance demand: the case of the English football league', *Journal of Sports Economics*, vol 7(3), pp 247-266

Simmons R, 2006, 'Demand for spectator sports', in *Handbook of the Economics of Sport*, (eds) Szymanski S and Andreff W, Edward Elgar, Cheltenham, pp 77-89, ISBN: 1843766086

## COURSE CONTENTS AND TIMETABLE

FILE / DAY	TOPIC	CHAPTERS IN TEXTBOOK	ASSIGNMENTS	SUGGESTED EXERCISES
1 & 2	Objectives of sports teams and leagues. The financial crisis in French football.	<i>Kesenne S. (2007), The Economic Theory of Professional Team Sports, an analytical treatment, E. Elgar, 162 p.</i>		
3 & 4	Attendance demand and ticket prices in sports leagues.	<i>Simmons R, 2006, 'Demand for spectator sports', in Handbook of the Economics of Sport, (eds) Szymanski S and Andreff W, Edward Elgar, Cheltenham, pp 77-89</i>		
5	Broadcasting of professional sports: Audience demand and policy issues.	<i>Turner, Paul; Shilbury, David, "Determining the Professional Sport Broadcasting Landscape: An Australian Football Club Perspective", Sport Management Review, Volume 8, Issue 2, September 2005, Pages 167-193.</i>		
6	Labour market structures in professional sports: Movements towards free agency, player mobility and transfer markets.	<i>Simmons R, 2007, 'Overpaid athletes? Comparing American and European football', WorkingUSA: The Journal of Labor and Society, vol 10(4), pp 457-471</i>		
7	Determination of player salaries; superstar effects in sports.	<i>Kesenne S. and Szymanski S. (2004), Competitive Balance and Gate Revenue Sharing in Team Sports, Journal of Industrial Economics, 51/4, 513-525</i>		
8	Salary caps in professional sports: Types of cap and their influence on salaries, team viability and competitive balance.	<i>Kesenne S. (2000), The Impact of Salary Caps in Professional Team Sports, Scottish Journal of Political Economy, 47/4, pp. 422-430</i>		
7	Recap and revision.			revision
8	Written examination		Answer 2 questions in 2 hours.	

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## EVALUATION OF STUDENT PERFORMANCE

Written Exam	100%
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*Written examination to answer 2 questions in 2 hour (without document).*

## BIOGRAPHIE

### *Robert Simmons*

*Rob Simmons is a Lecturer in Economics. He was educated at University of Warwick and University of Manchester and holds a doctorate from University of Leeds. Dr Simmons specialises in labour economics and sports economics. He has published on theoretical and empirical aspects of labour economics, covering areas such as union bargaining over working time, demand-side analysis of working time and efficiency wage models including adverse selection and shirking behaviour. He has been engaged as a consultant to the International Labour Organisation. Dr Simmons is a member of the European Association of Labour Economists and he has presented several papers at their annual conference. Currently, Dr Simmons is pursuing interests in personnel economics, including the impact of changing human resource management practices on the labour market. Dr Simmons also has an international reputation as a sports economist. He has researched into several topics in sports economics, many of which have a labour market focus. He has published pioneering papers on attendance demand in football using a travel cost methodology, on football transfer markets using a sample selection model and on salary determination in Italian football using a rarely published data set. He is currently working on several topics in sports economics, including a new theoretical model of sports league behaviour, economic analysis of sports broadcasting, the labour market for players in the US National Football League and further analysis of earnings in Italian football. Dr Simmons is a member of the editorial board of Journal of Sports Economics. He was also recently a co-convenor of the ESRC financed Sports, Arts and Leisure Economics Study Group.*

## ACADEMIC FRAUD

### **Definition**

Academic fraud is an act by a student, which may result in a false academic evaluation of that student or of another student. Without limiting the generality of this definition, academic fraud occurs when a student commits any of the following offences:

- a) Commits plagiarism or cheating of any kind.
- b) Submits a work of which the student is not the author, in whole or in part (except for duly cited quotations or references). Such work may include an academic paper, an essay, a test, an exam, a research report, and a thesis, whether written, oral, or in another form.
- c) Presents research data, which has been falsified or concocted in any way.
- d) Attributes a purported statement of fact or reference to a source which has been concocted.

- e) Submits the same piece of work or a significant part thereof for more than one course, or a thesis or other work which has already been submitted elsewhere, without written authorization of the professors concerned and/or of the academic unit concerned.
- f) Falsifies an academic evaluation, misrepresents an academic evaluation, uses a forged or falsified academic record or supporting document, or facilitates the use of a falsified academic record or supporting document.
- g) Undertakes any other action for the purpose of falsifying an academic evaluation.

### ***Sanctions***

A student who has committed or attempted to commit academic fraud, or who has been a party to academic fraud, will receive one of the sanctions below, as determined by the Disciplinary Committee:

- a) A mark of zero for the work concerned;
- b) A mark of zero for the course concerned;
- c) Suspension from the programme for a period of one year;
- d) Withdrawal from the programme.

### **Les sanctions suivantes sont extraites du Règlement intérieur applicable à tous les étudiants :**

The Programme Director will decide to convoke a student to a Disciplinary Committee hearing if there is judged to be sufficient cause due to non respect of the rules & regulations (such as, for example, cheating in an exam, plagiarism, inappropriate behaviour).

Depending on the nature and seriousness of the problem, the Disciplinary Committee may decide to:

- impose pedagogical sanctions (zero grade for a test, a subject or all the grades in a session, banned from all exams, etc)
- give a written warning (recorded in the student's file but with no impact on the final graduation jury),
- a reprimand (recorded in the student's file. The student will not be given any leeway during the graduation jury),
- temporary exclusion from the programme,
- expulsion from the programme.

En cas de manquement jugé suffisamment grave d'un étudiant à une règle de fonctionnement ou de comportement (tel que, par exemple, la fraude en examen ou le plagiat), le Directeur du Programme peut décider de convoquer l'étudiant à un Conseil de discipline.

Selon la nature et la gravité du problème constaté, ce Conseil de discipline peut prononcer :

- des sanctions pédagogiques (zéro à une épreuve, à la matière ou à toutes les notes de la session, interdiction de se présenter à des épreuves,...),
- un avertissement (noté dans le dossier de l'étudiant, sans incidence lors du jury de diplôme)



- un blâme (noté dans le dossier de l'étudiant, l'étudiant ne pourra bénéficier d'aucune indulgence lors du jury de diplôme),
- une exclusion provisoire du programme,
- une exclusion définitive du programme.