

SPM 5506: Sport Finance (Online)

Department of Tourism, Recreation and Sport Management
School of Health and Human Performance
University of Florida

Instructor: Dr. Brian M. Mills

E-mail: bmmillsy@hhp.ufl.edu

Office: Florida Gym 308

Required Text & Materials:

- Winfree, J.A. & Rosentraub, M.S. (2011). *Sports Finance and Management*. CRC Press (Taylor & Francis Group): Boca Raton, FL.

I. Class Rationale

With the massive growth of revenues within the sports industry over the past 20 years, competent managers must have a sound understanding of finance topics—loosely defined as the management of money—and how to use them in their everyday managing duties. This class will equip aspiring sport managers with the skills to enhance their financial decision making in a management role, applying concepts to the continually evolving landscape of the sports industry.

By the end of this course, the student will a) Understand basic financial concepts b) Know when to use each of these concepts in a management situation and c) Have the ability to communicate what these results mean in business from a decision-making standpoint.

II. Course Aims and Objectives

It is important for the student to distinguish between accounting and finance. We will focus specifically on decision making with respect to financial considerations, with real-world and hypothetical problems based within the sports industry. While this class is geared toward some unique aspects of the sport industry, the skills acquired here will help with making decisions in any business platform.

This class will require math. However, the point is not to have you memorize financial formulas or check to see if you can multiply or divide (though, there will be some of that). If you are a University of Florida student, you most likely have shown that you have the basic mathematical skills required for this course. We will focus on setting up our finance problem, calculating the answer, and communicating how that answer is important to the management decisions under consideration. If you ever have trouble/questions with respect to the mathematics involved (or anything else), I am here to help. Multiplication and exponents should not be a hindrance to learning financial concepts and their management applications.

Whether you become a general manager, marketing manager, or ticket sales representative, this course will provide you with an understanding of what you need to do to improve businesses from a financial standpoint. The ability to apply these financial concepts could be the difference between getting a promotion and staying put in a current job. While we will relate concepts to business, many of the issues we talk about could even help you in your own personal finance decisions.

III. Course Requirements

Homework Problems

I will assign homework problems for you to practice for exams. Homework #1 is a general assignment, which will be given a grade based on 3 anonymous peer reviews from your classmates. Part of your grade will be completion of the peer reviews assigned. If you do not complete peer review, you will only get half credit for the assignment.

The remaining homework assignments **will not be graded**. I will post answers to Homework #2 through Homework #6 throughout the semester, proximate when you should be finishing up the specific module (see Syllabus schedule below for suggested week of completion – answers will be released on the last day of each listed week). I strongly encourage you to go through the assignments before answers are posted, and check your work. If you ever have any questions at all about the material and the assignments, **please do not hesitate to contact me**. If you can get through the homework problems, you will do very well on the exams in the class. Most of the multiplication and tedious details will be done on the calculator, but I encourage you to show your work and work through each problem meticulously so you understand the process of the calculation.

Current Events

Students will be expected to present a Current Event that relates to what we are talking about in our Sport Finance class once over the course of the semester. This can be anything in the current news that interests you related to sports and finance. You will be required to give a **5 minute** presentation of the background of the event and how it applies to our class—using your computer to record the short talk—and post it to the message boards in the appropriate place during the week you are assigned. Additionally, Current Events require a **2 page write-up** of the event (and citation of your sources). These should be emailed to me directly. Please do not just summarize/copy the article. It will not result in a passing grade. Develop how the issue is related to the course.

Sign-ups for Current Events must take place before the due date posted on Canvas at the appropriate discussion board. Claiming a date on time is required, and not doing so will affect your grade. If you do not respond on time, you will lose points toward your final grade, as outlined in the Course Grading section of this Syllabus.

Message Board Posts for Academic Readings

Every two weeks, students will be required to read an academic paper or set of papers (see schedule for dates), and provide a short summary of the paper, along with describing the novel insights the paper has made toward finance and economic topics being developed in class. Discussion board responses should be approximately 500 words, and provide thoughtful commentary regarding the article. Students will have discussion groups for each reading, and each of these discussion groups will include a Group Leader that will pose at least 3 questions to the rest of the group that generates discussion. Group Leaders should create their own thread within the appropriate Discussion Board clearly stating the Group Number at the top, and group members should respond specifically within that thread. Leaders should post their response and discussion questions **at least 3 days before the final due date for responses**.

Further discussion and response will be expected within the discussion group by each member to ensure full credit. Discussion groups will have a leader, who will be required to come up with 3 discussion questions to which each discussion group member needs to reply. The discussion leader is expected to further probe each member's response. Students will be informed of their groups at the beginning of the semester, and will rotate throughout the semester. In any discussion board interactions, all students should adhere to the passage below regarding Respect for Others in the Classroom. I will interject to guide discussion where I see appropriate.

Quizzes

To both evaluate and assist in the learning process, there will be five quizzes about the topics discussed in previous modules. These will be administered online through the course website. These will be part of your grade. Treat these as a way to stay current with the lectures and topics we are talking about. If you do well on

the quizzes, you are likely to ace the exams. They open on Thursdays in weeks listed on the Syllabus schedule, and remain open until the posted due date (Saturday). Quizzes are timed, with 30 minutes to take each quiz.

Exams

There will be a midterm and a final exam for the class. The final exam will be comprehensive and include mostly multiple choice questions. The exams are not open book, and you will need your calculator. Smart phones and computer calculators are not allowed on exams (or quizzes) as a calculator. Exams must be proctored, and scratch paper is allowed. For the final exam, you will be provided with a formula sheet that you should **print** out prior to taking the exam. You will have a 3 to 4 day window for the Midterm and for the Final, which should be set up with Proctor U. in advance. You will be given 90 minutes to take each exam. Please see information for Proctor U. on Canvas.

Course Expectations

- Make-up quizzes and exams are rarely given. **Documented** problems should be discussed with the instructor **prior to the test**, or in the extremely rare case of an emergency which prevents contacting the instructor prior to the test, as soon as possible.
 - Examples of excused absence: Hospital visit or severe sickness for you or your child (with official doctor's note); unavoidable family issues (i.e. funerals); Religious Holidays
 - Examples of unexcused absence: Weddings, football games, arguments with your significant other, forgetting about the test, forgetting to study for the test, work schedules, children's schedules
- All assignments are due on the date specified. If you plan to be away and unable to turn in an assignment on time, be sure to turn in the assignment before you leave. **Late assignments will not be accepted. Period.**

Online Learning

Students should be aware that **online learning can present significant challenges**, particularly to individuals who are not “self-starters” or those who do not possess good time management skills. The online classroom is available to you 24 hours a day. Unlike traditional instructional settings in which each student gets the same class at a set time and day, the online setting (in theory) gives students the opportunity to tailor class to their particular learning style. You should note, however, that this course is not completely self-paced. As listed on the course calendar, there are select times during which units and course materials will be available. You can view each unit's lectures at any time during the dates in which the unit is open. However, quizzes and exams will only be available to you on the date listed on the syllabus.

Testing Logistics

Students must have their Midterm Exam and Final Exam proctored by UF's approved online proctoring service, ProctorU. More information on how to schedule exam proctoring can be found in the e-Learning course.

IV. Respecting Others in the Virtual Classroom

I expect students to be being considerate of others during discussions in class. While it is unlikely that there will be particularly sensitive topics discussed in a finance course, disagreement can arise in any discussion. Disagreement fuels learning; however, I do adhere to the following statement: “in order to create a climate for open and honest dialogue and to encourage the broadest range of viewpoints, class participants need to treat each other with respect. Name-calling, accusations, verbal attacks, sarcasm, and other negative exchanges are counterproductive to successful teaching and learning. The purpose of class discussions is to generate greater understanding. The purpose of dialogue is not to reach a consensus or to convince others of a specific viewpoint, but to reach higher levels of learning and understanding by examining different viewpoints and opinions.” Please be respectful.

(Source: ASU Intergroup Relations Center, Classroom Resources—Discussion Ground Rules)

V. Accommodations for Students with Disabilities

If you need accommodations for a disability, please let me know as soon as you can. Some aspects of this course, the assignments, or the discussions may be modified to facilitate your participation and progress. To help determine the most appropriate accommodations for you, we can make use of the University of Florida Disability Resource Center at: dso.ufl.edu/drc/. Please provide a DRC letter to me regarding the necessary accommodations for you in class (especially pertinent for exam accommodations). Be assured that I will treat any information about your disability as private and confidential.

VI. Academic Integrity Statement

“We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity. The university requires all members of its community to be honest in all endeavors. A fundamental principle is that the whole process of learning and pursuit of knowledge are diminished by cheating, plagiarism and other acts of academic dishonesty.”

Each student has a responsibility to understand, accept, and comply with the University and College’s standards of academic conduct. Violations will not be tolerated and will result in penalties may include (but are not limited to) a zero on the exam/project, a failing class grade, community service, university expulsion. Examples of academic misconduct:

- **Cheating:** Use or attempted use of unauthorized materials, student aids or information in any academic exercise.
- **Fabrication:** Falsifying or inventing information or data in an academic assignment.
- **Collusion:** Aid or attempt to aid another student in committing academic misconduct.
- **Interference:** Preventing another student’s work from being completed or evaluated properly.
- **Plagiarism:** Use of ideas, words or statement of another person without giving credit to that person.

Violations will not be tolerated and may result in penalties may include (but are not limited to) a zero on the exam/project, a failing class grade, community service, university expulsion. **NOTE:** Using online services that provide answers to homework, quizzes, and exams will result in a zero for the entire course. If you are unsure whether the website you’re using to find answers to your assignments violates academic integrity, **the answer is that it probably does.** These are generally **not** tutoring services. They are cheating services, and will be treated as such. These websites recycle their answers, and have various mistakes. I will know if and when you use them because I have copies of them that other students have submitted.

VII. Religious Holiday Policy

It is my policy to make every reasonable effort to allow members of class to observe their religious holidays without academic penalty. Absence from discussions or examinations for religious reasons does not relieve you from responsibility for any part of the course work assigned while absent. If you expect to miss an exam or quiz as a consequence of religious observance, you shall be provided with a reasonable alternative opportunity to complete such academic responsibilities without penalty, unless it interferes unreasonably with the rest of the class. Assignment due dates will not be rescheduled, as you have plenty of time to complete them prior to this known date. Therefore, if you know of an upcoming religious-related holiday, be sure to have the assignment or discussion response submitted *prior to that time*. **It is your obligation to provide me with reasonable notice of the dates of religious holidays on which you will be absent ahead of time.** Such notice must be given by the end of the second week of class (but preferably as soon as possible so we can schedule the make-up assignment dates that will work best for you). If you do not notify me until after the date of the exam or quiz, I cannot retroactively allow for rescheduling.

VIII. Course Grading (460 Total Points)

Quizzes	20 points each (30 minutes, ONE Review allowed for each quiz)
Homework 1	15 points (Peer Reviewed)
Current Event Signup	5 points
Current Events	20 points
Discussion Board	20 points each
Midterm Exam	100 points (90 minutes, ONE Review allowed for Midterm)
Final Exam	100 points (90 minutes)

-Grades are not subject to negotiation. Do not ask me to give you a grade. Earn it.

-Current UF grading policies can be found at the undergraduate catalog webpage:

<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

VIII. Course Schedule

Week	Dates	Modules	Homework	Reading	Quiz/Exam	Textbook
Week 1	Jan. 7 – 13	1				Ch. 1, 4, & 7
Week 2	Jan. 14 – 20	2				Ch. 1, 4, & 7
Week 3	Jan. 21 – 27	3		AR #1		Ch. 1, 4, & 7
Week 4	Jan. 28 – Feb. 3	4				Ch. 1, 4, & 7
Week 5	Feb. 4 – 10	5		AR #2	Quiz #1	Ch. 8
Week 6	Feb. 11 – 17	6	HW #1			Ch. 2
Week 7	Feb. 18 – 24	7		AR #3		Ch. 12
Week 8	Feb. 25 – Mar. 3	7	HW #2		Quiz #2	Ch. 12
Week 9	Mar. 2 – 10	BREAK				
Week 10	Mar. 11 – 17	8	HW #3		Exam 1	Ch. 12
Week 11	Mar. 18 – 24	9		AR #4	Quiz #3	Ch. 3 & 12
Week 12	Mar. 25 – 31	10	HW #4			Ch. 3 & 12
Week 13	Apr. 1 – 7	10 & 11		AR #5	Quiz #4	Ch. 11
Week 14	Apr. 8 – 14	11	HW #5			Ch. 5 & 6
Week 15	Apr. 15 – 21	11 & 12		AR #6	Quiz #5	Ch. 5 & 6
Week 16	Apr. 22 – 24	12	HW #6			Ch. 5 & 6
Exam Week	Apr. 29 – May 3				Exam 2	

IX. Assigned Readings

Assigned Readings #1:

Maxey, J.G., Fort, R.D., & Krautmann, A.C. (2002). The effectiveness of incentive mechanisms in Major League Baseball. *Journal of Sports Economics*, 3, 246-255.

Assigned Readings #2:

Edmans, A., Garcia, D., & Norli, O. (2007). Sports sentiment and stock returns. *The Journal of Finance*, 62, 1967-1998.

Assigned Readings #3:

Alm, J., Kaempfer, W.H., & Sennoga, E.B. (2012). Baseball salaries and income taxes: The home field advantage of income taxes on free agent salaries. *Journal of Sports Economics*, 13, 619-634.

Kopkin, N. (2012). Tax avoidance: How income tax rates affect the labor migration decisions of NBA free agents. *Journal of Sports Economics*, 13, 571-602.

Assigned Readings #4:

Coulson, N.E. & Fort, R.D. (2010). Tax revisions of 2004 and pro sports team ownership. *Contemporary Economic Policy*, 28, 464-473.

Assigned Readings #5:

Winfree, J.A. & Molitor, C.J. (2007). The value of college: Drafted high school baseball players. *Journal of Sports Economics*, 8, 378-393.

Assigned Readings #6:

Crompton, J. (1995). Economic impact analysis of sports facilities and events: Eleven sources of misapplication. *Journal of Sport Management*, 9, 14-35.

Mills, B.M. & Rosentraub, M.S. (2013). Hosting mega-events: A guide to the evaluation of development effects in integrated metropolitan regions. *Tourism Management*, 34, 238-246.