

KSS 5212: Finance in Sport
Eastern Illinois University, Kinesiology & Sport Studies
Sport Management
Fall 2012
Lantz 3409
Tuesday & Thursday, 10:30 – 11:45am

Instructor: Dr. Clinton J. Warren

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Follow me on Twitter @Clint_Warren (My tweets are always sport business related)

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Required Text:

Sport Finance 2nd ed. by Fried, Shapiro, & DeSchraver

Course Description:

Analysis of core financial concepts and theories as they apply to the sport industry, including accounting principles, financial statements, sources of revenue, methods of budgeting, fundraising for new facilities, legal issues, and technology integration.

Course Objectives:

1. To understand basic accounting principles and types of accounting
2. To be able to understand and prepare financial statements
3. To understand and apply the basic principles of budgeting
4. To understand and develop arguments regarding facility financing
5. To review the present financial status of the sport industry and project its future

Evaluation Criteria:

Mid-Term Exam	50 pts
Final Exam	75 pts
Case Studies (5)	100 pts
Stock Project	50 pts
Class Participation	25 pts

Total Points: *300 pts*

Grading Scale:

A = 300 – 270, B = 269 – 240, C = 239 – 210, D = 209 – 180, F = Less than 180

Class Schedule:

Course Schedule is Tentative and Subject to Change at the Discretion of the Instructor

Date	Topic	Reading	Assignment
Aug. 21	Course Introduction		
Aug. 23	Financial Issues in Sport (Chapter 1)	<i>Ch. 1</i>	
Aug. 28	Dallas Cowboys Stadium	<i>Ch. 2</i>	Case Study #1
Aug. 30	Basic Financial Concepts (Chapter 2)	<i>Ch. 2</i>	
Sept. 4	Financial Systems (Chapter 3)	<i>Ch. 3</i>	
Sept. 6	Ohio State, Arizona, & the NCAA	<i>Ch. 4</i>	Case Study #2
Sept. 11	Business Structure (Chapter 4)	<i>Ch. 4</i>	
Sept. 13	Liverpool F.C. Balance Sheet	<i>Ch. 5</i>	Case Study #3
Sept. 18	Financial Statements (Chapter 5)	<i>Ch. 5</i>	
Sept. 20	Joe Mauer's Contract	<i>Ch. 6</i>	Case Study #4
Sept. 25	Time Value of Money (Chapter 6)	<i>Ch. 6</i>	
Sept. 27	Financial Planning (Chapter 7)	<i>Ch. 7</i>	
Oct. 2	Opening a CrossFit Affiliate	<i>Ch. 8</i>	Case Study #5
Oct. 4	Obtaining Funding (Ch. 8)	<i>Ch. 8</i>	
Oct. 9	Mid Term Exam		Mid Term Exam
Oct. 11	Public Sale of Manchester United	<i>Ch. 9</i>	Case Study #6
Oct. 16	Capital Stocks (Chapter 9)	<i>Ch. 9</i>	
Oct. 18	Renovating Wrigley Field	<i>Ch. 10 & 11</i>	Case Study #7
Oct. 23	Bonds (Chapter 10)	<i>Ch. 10 & 11</i>	
Oct. 25	Capital Budgeting (Chapter 11)	<i>Ch. 10 & 11</i>	
Oct. 30	Managing Dick's Sporting Goods	<i>Ch. 12 & 13</i>	Case Study #8
Nov. 1	Short-Term Management (Chapter 12)	<i>Ch. 12 & 13</i>	
Nov. 6	Inventory & Production (Chapter 13)	<i>Ch. 12 & 13</i>	
Nov. 8	Nike v. Adidas Mergers	<i>Ch. 15</i>	Case Study #9
Nov. 13	Spending Earnings (Chapter 15)		
Nov. 15	Moneyball Discussion		
Nov. 20	<i>NO CLASS THANKSGIVING BREAK</i>		
Nov. 22	<i>NO CLASS THANKSGIVING BREAK</i>		
Nov. 27	Audit of the L.A. Kings & Staples Center	<i>Ch. 15</i>	Case Study #10
Nov. 29	Auditing (Chapter 16)	<i>Ch. 16</i>	
Dec. 4	Rangers F.C. Bankruptcy	<i>Ch. 17</i>	Case Study #11
Dec. 6	Exit Strategy (Ch. 17)	<i>Ch. 17</i>	Stock Project

***** Final Exam will take place at the University scheduled date and time. *****

Class Assignments

Exams:

There will be two exams in this class. Your midterm will be worth 50 out of 300 points of your total grade, and your final exam will be worth 75 out of 300 points. Each exam will consist of four parts.

- Part I: Multiple Choice (20-25 points)
- Part II: Short Answer (10-20 points)
- Part III: Case Study (10-20 points)
- Part IV: Extended Answer (10 points)

You will be given the entire class period on the date of the midterm to complete your exam, and the final will take place at the university scheduled date and time. Each exam will cover all class notes, readings, and will incorporate information from the in-class case studies.

Case Studies:

There will be eleven case studies presented for class discussion throughout the semester. Students are to prepare written responses to the questions at the end of each case study in preparation for class. The case studies will be based on real sport management issues and may incorporate some fictitious information. Students will hand in 5 out of the 11 case studies to be graded. Each graded case study will be worth 20 out of the total 300 points for the class. All students will be required to hand in "Case Study #1: Dallas Cowboys Stadium" to be graded. Students may then choose any 4 cases from the remaining 10 to be graded. Students must hand in their cases to be graded at the beginning of class and should bring a second copy to utilize during discussion. A grading rubric can be found on the class website.

Stock Project:

The stock market is an important financial component that must be understood to fully appreciate the nature of sport finance. To learn the stock market from a sport perspective you will be given a fictional \$100,000 to invest in "sport related" stocks (e.g. Nike, Gatorade, Under Armour). All stocks you purchase must be publicly traded on the New York Stock Exchange (NYSE) or the NASDAQ. You may spend your \$100,000 in any manner you wish. As this is a nearly semester-long project, there are numerous steps you must follow to successfully complete the project. Further details and a grading rubric can be found on the class website. This assignment is worth 50 out 300 points for the class.

Class Participation:

Attendance and participation will count for 25 out of 300 points for the class. Graduate learning requires regular, active discussion of each topic presented. Students should complete all assigned reading in advance of class to prepare to intelligently discuss each topic. Case study discussions will occur *before* students receive lecture notes on a given topic; therefore, it is critical to utilize the course text in completing the case study assignments and preparing for discussion. Students are expected to attend and participate during each class period. Failure to attend or engage the course material will result in a reduction in points.

Course Policies

Academic Integrity:

From the EIU Student Conduct Code

Eastern students observe the highest principles of academic integrity and support a campus environment conducive to scholarship. Violations of this standard:

- Conduct in subversion of academic standards, such as cheating on examinations, plagiarism, collusion, misrepresentation or falsification of data.
- Theft or the unauthorized possession of examinations; alteration, theft, or destruction of the academic work of others, or academic records, library materials, laboratory materials, or other University equipment or property related to instructional matters or research.
- Submitting work previously presented in another course unless specifically permitted by the instructor.
- Conduct which disrupts the academic environment; disruption in classes, faculty offices, academic buildings, or computer facilities.
- Complicity with others in violations of this standard.

Late Submissions:

It is the student's responsibility to communicate any absences that would result in missing an exam or handing in of an assignment. Any make-up exams or late assignments must be accompanied by written documentation of the reason for the absence. These instances will be handled on a case-by-case basis. Late submissions of case studies for grading will not be accepted.

Additional Information & Assistance:

For help with study skills, writing, grammar, and other educational assistance, the Student Success Center and The Writing Center of Eastern Illinois University provides training that will help you succeed. Below is their contact information:

Student Success Center

1302 9th Street Hall

(217) 581-6696

www.eiu.edu/~success

The Writing Center of EIU

3110 Coleman Hall

(217) 581-5929

www.eiu.edu/~writing

Also, please feel free to contact the instructor with any questions, comments, or concerns you may have with respect to class.