

**STATE UNIVERSITY OF NEW YORK
COLLEGE OF TECHNOLOGY
CANTON, NEW YORK**



COURSE OUTLINE

SPMT 242 – Sports Finance

Prepared By: Lorenda Prier

**SCHOOL OF SCIENCE, HEALTH, AND CRIMINAL JUSTICE
Sports Management
Revised MAY 2015**

SPMT 242 Sports Finance

- A. **TITLE:** Sports Finance
- B. **COURSE NUMBER:** SPMT 242
- C. **CREDIT HOURS:** 3
- D. **WRITING INTENSIVE COURSE:** No
- E. **COURSE LENGTH:** 15 weeks
- F. **SEMESTER(S) OFFERED:** Fall/Spring
- G. **HOURS OF LECTURE, LABORATORY, RECITATION, TUTORIAL, ACTIVITY:**
3 lecture hours per week
- H. **CATALOG DESCRIPTION:**
This course deals with the importance of finance and accounting theory within the sport industry. Students will explore elements that influence the financial world then apply such elements to the specific sport business world. Revenue and expense categories for professional and collegiate sports teams will be differentiated and evaluated in terms of league policies and current economic conditions. From case studies, this course will examine business structure, sources of capital and financial management in the unique business environment of professional and college sports.
- I. **PRE-REQUISITES/CO-COURSES:**
a. Pre-requisite(s): SPMT 101 Foundations of Sports Management or permission of instructor
b. Co-requisite(s): None
- J. **GOALS (STUDENT LEARNING OUTCOMES):**
By the end of this course, the student will be able to:

<i>Course Objective</i>	<i>Institutional SLO</i>
a. Recognize and discuss current financial issues in sport	2. Crit. Thinking 3. Prof. Competence
b. Compare financial statements to identify a sports business' strengths and weaknesses	2. Crit. Thinking 3. Prof. Competence
c. Describe business structure options, requirements and financial implications as they pertain to sports business organizations and enterprises	2. Crit. Thinking 3. Prof. Competence
d. Demonstrate an understanding of financial terms and concepts and apply this business framework to the sport environment	2. Crit. Thinking 3. Prof. Competence
e. Identify financial management techniques unique to professional and collegiate sports	2. Crit. Thinking 3. Prof. Competence

K. TEXTS:

Fried, Shapiro & DeSchraver (2003), *Sports Finance* Human Kinetics Publishing: Champaign, IL.

L. REFERENCES:

Howard, D., & Crompton, J. (2004). *Financing sport*. (2nd ed.). Morgantown, WV: Fitness Information Technology.

Brown, M., Nagel, M., McEvoy, C., & Rascher, D. (2004, December). Revenue and Wealth Maximization in the National Football League: The Impact of Stadia. *Sport Marketing Quarterly*, 13(4), 227-235.

Fatsis, S. (2004, March 15). It's Time for Money, uh, March Madness. *Wall Street Journal - Eastern Edition*, 243(51), R1-R4.

Fruhan, William E., Jr. "Nike Inc. - Heading Toward 2010 (TN)." Harvard Business School Teaching Note 207-106.

Mason, D. (1997, July). Revenue Sharing and Agency Problems in Professional Team Sport: The Case of the National Football League. *Journal of Sport Management*, 11(3), 203.

Sparvero, E., & Chalip, L. (2007, May). Professional Teams as Leverageable Assets: Strategic Creation of Community Value. *Sport Management Review*, 10(1), 1-30.

M. EQUIPMENT: Technology Enhanced Classroom

N. GRADING METHOD: A – F

O. MEASUREMENT CRITERIA/METHODS:

- Written Assignments
- Quizzes
- Small Group Task
- Discussion

P. DETAILED COURSE OUTLINE:

I. Sport Finance Basics

- a. Understanding current financial issues in sport
- b. Identifying the role of accounting and financial data in sport decision making
- c. Determining financial objectives of a sport organization
- d. Evaluating internal and external sports finance constraints

II. Business Structure

- a. Comparing sole proprietorships, partnerships, corporations, limited liability corporations and limited liability partnerships
- b. Defining the requirements of each type of business structure utilized in sport

III. Financial Analysis Review

- a. Understanding the components of the balance sheet, income sheet and cash flow statements
- b. Assessing an organizations liquidity, activity, leverage, profitability and inventory through ratio analysis
- c. Analyzing risk and return of financial assets

IV. Capital Structuring

- a. Identifying sources and strategies to obtain capital (personal funds, private financing and leverage) for different types of sport businesses
- b. Understanding sport stocks and publicly traded sport businesses
- c. Financing high growth businesses such as Nike through short term or long term borrowing strategies

V. Financial Management

- a. Managing production and inventory of seasonal sport venues
- b. Establishing income generating strategies for a losing team
- c. Calculating the value of a sport business

VI. Financing Sports Facilities

- a. Financing sports facilities through bond issue
- b. Understanding tax abatements and government involvement
- c. Identifying privately and publicly financed facilities

VII. Professional Sports

- a. Evaluating escalating salaries and salary caps
- b. Understanding revenue sharing and league financial implications
- c. Managing government interaction in professional sport
- d. Valuing franchises/teams
- e. Understanding publicly owned and privately owned sports franchises
- f. Projecting future profitability of franchises

VII. College Sports

- a. Understanding the NCAA as a nonprofit organization
- b. Revenue and expenses in college sports (Division I-A Programs)
- c. Evaluating the financial implications of March Madness in NCAA Basketball

Q. LABORATORY OUTLINE: N/A