

University of Florida

College of Health & Human Performance Department of Tourism, Recreation, & Sport Management

SPM 5506 Sport Finance Spring 2009

I. General Course Information

Credit Hours: 3
Semester Offered: Spring
Instructor: Dr. Matthew Walker
Contact: **Email:** walkerma@hhp.ufl.edu; **Phone:** 352.392.4042 (x 1260)
Office Hours: M/W – 8am to 11am
Office Location: 306 Florida Gym
Course Location: FLG 265 (Florida Gym)
Meeting Times: Thursday: 9:35 – 12:35 (*periods 3-5*)
Course Website: <https://elearning.courses.ufl.edu>

Students are strongly encouraged to check the website on a daily basis as this forum will serve as a means for communication, posting of assignments, course readings, etc.

II. Course Overview:

While salaries and costs have escalated astronomically in professional and intercollegiate sports, many traditional revenue sources have failed to match these increases. Thus, this course is intended to provide students a general overview of many of the traditional and innovative revenue acquisition methods available for sport managers. The initial portion of this course will focus on helping students understand the fundamentals of finance, accounting, and the application of several key financial techniques utilized in the administration and operation of a business. These topics include ratio analyses, cash flow management, personal finance, general investment strategies, and corporate financial practices. The remainder of the course will cover a wide spectrum of topics geared towards educating the student on basic financial concepts and other financial issues related to the sport industry in addition to the development of their own business plan. Overall, the multiple course purposes are to broaden the student's perspective on the various means for financing sport businesses and organizations and to examine the various means for controlling costs, minimizing investment and business risk while increasing revenues.

“...In this course you will not learn all of the answers, but you will learn to ask more intelligent questions”

III. Course Objectives:

Upon successful completion of this course, the student will:

1. Develop a further understanding of the stock market, how organizations are valued, and the factors to evaluate in reviewing the financial solvency of a corporation.
2. Understand how to effectively establish joint venture arrangements between public sector entities and private sector organizations for the joint development and/or operation of sport facilities.
3. Be able to differentiate between the various methods used to raise capital for financing sport organizations, events, or projects. Specifically, the student will learn contemporary financial and economic theories underlying the mechanisms for successful business operations.
4. Understand key financial statements including the balance sheet, income statement, and statement of cash flows, and how these are integrated in the operations of a business.
5. Understand how the stock market operates, keys to successful personal finance, investment options, and risk.
6. Be able to explain the principles upon which the legitimacy and validity of economic impact analysis for sports facilities and events are based.
7. Understand basic financial and economic concepts such as TVM, opportunity cost, CB analysis, supply/demand theories, and the contingent valuation method (CVM).

IV. Required Textbook:

- Fried, G., Shapiro, S. J., & DeSchrive, T. D. (2008). *Sport Finance* (2nd ed). Human Kinetics, Champaign: IL.
- Additional required readings (e.g., articles & various textbook chapters) will be made available on the course website.

V. Course Format:

The composition of this course will consist of lectures, class discussions, assigned readings, quizzes, videos, simulated exercises, and outside assignments. See “*assignment guidelines*” for a complete description of all course requirements.

VI. General Course Policies:

1. Assignments: All assignments are due on time. Late assignments will **not** be accepted unless prior arrangements have been made with the instructor. The student must contact the instructor prior to a scheduled test if you will not be available the day of the test.

1a. All written assignments are to be error-free (i.e., grammar, punctuation, spelling, flow, and general composition). If you are not a strong writer, I suggest getting an outside reader to proofread (NOT WRITE) the assignment prior to submission (See “academic integrity” section). All written assignments are to be typewritten in WORD and are expected to **follow APA (5th ed.) format.**

2. Participation: Active participation in class discussions is expected in order to demonstrate full preparedness for each set of readings assigned by the instructor. There is an expectation that each student will read the assigned articles and book chapters and be prepared to discuss them in class. Articulate and thoughtful questions and position statements are expected by the student to facilitate this aspect of the course.

VI. Course Evaluation:

Assignments	Weight
Quizzes (5 @ 1%)	5%
Attendance & Participation	5%
“Adopt a Company Reports” (2 @ 10%)	20%
Business Plan Assignment (10% paper; 5% presentation; 5% peer eval.)	20%
Mini-Research Paper (i.e., literature review)	20%
Test 1	15%
Test 2	15%

VII. Grading Scale:

95 - 100	A
94 - 90	A-
89 - 85	B+
84 - 80	B -
79 - 75	C+
74 - 70	C-
69 - 65	D+
64 - 60	D-
< 59	E

VIII. The University of Florida “Academic Integrity Code”

In adopting this Honor Code, the students of the University of Florida recognize that academic honesty and integrity are fundamental values of the University community. Students who enroll at the University commit to holding themselves and their peers to the high standard of honor required by the Honor Code. Any individual who becomes aware of a violation of the Honor Code is bound by honor to take corrective action. The quality of a University of Florida education is dependent upon the community acceptance and enforcement of the Honor Code.

...We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied:

“On my honor, I have neither given nor received unauthorized aid in doing this assignment”

Violations of the Academic Honesty Guidelines shall result in judicial action and a student being subject to the sanctions in paragraph XIV of the Student Conduct Code. The conduct set forth hereinafter constitutes a violation of the Academic Honesty Guidelines (University of Florida Rule 6C1-4.017).

For further information regarding the honor code at the University of Florida, please visit the website of the Dean of Students: <http://www.dso.ufl.edu/judicial/academic.php>

IX. Students with Disabilities:

The Dean of Students Office provides individualized assistance for students with documented disabilities. Services are based upon student need and impact of their specific disability. There is no requirement for any student to self-identify as having a disability. However, students requesting classroom accommodations must register with the Dean of Students Office and provide the appropriate documentation verifying their disability. The Dean of Students Office determines what is and is not appropriate documentation. Examples of accommodations that are available to students include, but are not limited to, registration assistance, approval of reduced course load, course substitutions, classroom and examination accommodations, auxiliary learning aids, additional course drops when disability related, and assistance in other university activities. The designated coordinator for compliance with Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act (ADA) is the Assistant Dean of Students responsible for Students with Disabilities Programs, P202 Peabody Hall, 392-1261 (Voice), or 392-3008 (TDD).

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X. Assignment Due Dates:

Assignments	Dates Due
Quizzes	5 throughout the term (<i>unannounced</i>)
Test 1	February 12 th
“Adopt A Company” Report – # 1	February 26 th
Test 2	March 26 th
“Adopt A Company” Report – # 2	April 9 th
Business Plan (assignment / presentation)	April 23 rd ; Presentations TBD
Mini Research Paper	TBD

Note: Due dates subject to change with prior notice from the instructor.

XI. Assignment Guidelines:

Quizzes:

There will be 5 “in class” quizzes throughout the semester. These quizzes will be an illustration of how well you have read and understood the material (i.e., readings, videos, lectures, etc.) for the week. These quizzes may include any or all of the information that is required for that week (e.g., chapters, articles, stock market information, and/or videos). **The quizzes will not be announced!**

“Adopt A Company” Reports (2 – see dates on timeline and “assignments”):

Students will work with a group of three depending on the number of students in the class (i.e., their choice or be assigned one by the professor during the first week of class). Each group will choose one sport related, public company to investigate **over the course of the semester** (you **must** have your company approved by me by week 3). Your in-depth exploration of your chosen company should address several issues related to your training in finance during the semester.

- *See guidelines in the “assignments” section of BB for a complete description of the requirements.*

Mini Research Paper:

You will be required to research/identify a current financial issue/topic from the class readings, lectures, and/or outside assignment for your research topic...for which you will construct a “review of literature” on the subject (get topic approved by instructor – first come first serve).

- From various academic sources, you must collect at least 10 (i.e., 8 data based & 2 popular press) articles pertaining to your topic. These should be included (cited properly – author, year) in the body of the paper to assist in validating your review and should be referenced (APA 5th style) on the last page when submitted.
- You will write a 5 page (minimum) literature review of, and reaction to the issue/topic using the information from the articles collected (this paper should not include any personal opinion on the topic – just the research and the case you build for why this is an issue).
- This paper should be written in a style that reflects a clear definition and understanding of the issue, and either explores a debate or proposes solutions to the issue at hand per the extant literature.
- This assignment will be in lieu of a final exam for the course and will be due at the end of the semester (during finals week).

Business Plan Project (paper & presentation – see dates on timeline and “assignments”):

Students will work in groups (4 or more students depending on class size) for this assignment. Each group will develop an entrepreneurial business plan, based on materials and information provided in class.

This business plan will precisely define your business, identify your goals, and serve as your firm’s resume. The basic components will include a current and *pro forma* balance sheet, an

income statement, and a cash flow analysis (however, the final plan will be much more detailed than just the aforementioned areas). This plan will help you allocate resources properly, handle unforeseen complications, and make good business decisions (obviously fictional...but you get the idea). It will provide specific and organized information about your company and how you will repay borrowed money – as any good business plan is a crucial part of any loan application. Additionally, it will inform your sales personnel, suppliers, and others about your operations and goals.

Your group will.....

- Submit a document that will outline the plan (the criteria will be outlined in the readings and lectures throughout the semester).
 - Present your plan to the class (25-30 minutes).
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- *See guidelines in the “assignments” section of BB for a complete description of the requirements.*

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Tentative Course Timeline

Dates	Topic & Agenda	Readings	Assignments
Week 1 <i>January 8</i>	Introduction of Course; Businesses Formed	---	Student Questionnaires & Quiz Game
Week 2 <i>January 15</i>	Personal Finance; Financial Investments	BB	---
Week 3 <i>January 22</i>	Corporate Finance; Video: “Maxed Out”	Fried, Ch. 2; BB	Company Names to Dr. Walker
Week 4 <i>January 29</i>	Financial Systems & Business Structure; Business Plan – Getting Your Plan Started	Fried, Chs. 3 & 4; BB	---
Week 5 <i>February 5</i>	Sport Finance – Issues & Economic Impact; Business Plan – Financing	Fried, Ch. 1; BB	---
Week 6 <i>February 12</i>	Test # 1 Review (5 th) Test # 1 (12 th)	Test Week	Test Week
Week 7 <i>February 19</i>	Financial Planning; Business Plan – Defining Your Business & Market	Fried, Chs. 5 & 7; BB	---
Week 8 <i>February 26</i>	Time Value of Money; Business Plan – Sales Forecasting & Operations	Fried, Ch. 6; BB	“Adopt A Company” Report # 1 (26th)
Week 9 <i>March 5</i>	Capital Budgeting & Short Term Financial Management; Business Plan – Ensure Operational Success	Fried, Chs. 11 & 12; BB	*In Class Planning
Week 10 <i>March 12</i>	Funding Sources; Business Plans – Money...Money...Money	Fried, Ch. 8; BB	*In Class Planning
Week 11 <i>March 19</i>	Exit Strategies; Business Plans – Putting Your Plan to Work	Fried, Ch. 17; BB	*In Class Planning
Week 12 <i>March 26</i>	Test # 2 Review (19 th) Test # 2 (26 th)	Test Week	Test Week
Week 13 <i>April 2</i>	- <i>Company Presentations</i> -	---	*Business Plan Presentations
Week 14 <i>April 9</i>	- <i>Company Presentations</i> -	---	*Business Plan Presentations “Adopt A Company” Report # 2 (9th)
Week 15 <i>April 16</i>	- <i>Company Presentations</i> -	---	*Business Plan Presentations
Week 16 <i>April 23</i>	- <i>Company Presentations</i> -	---	Final Business Plan (23rd)
Week 17	---	---	Mini Research Paper (TBD)

**Note: Timeline may change with prior notification from instructor*