ECON 3450 Long Quiz 2
Professor Michael Sinkey

1. (2 points) What is the “winner’s curse?” Describe how it applies to the World Cup, touching on how the World Cup’s bidding process can lead to the curse.

2. (2 points) Chapter 5 in Zimbalist describes the importance of why calculating “players’ shares of revenue” are important. Describe what these are, and then give an example of how leagues may differ in calculating these shares.

3. (3 points) Chapter 6 in Zimbalist describes trends in stadium financing. Are stadiums or arenas more likely to be publicly financed? Why? Also, what are the attendance benefits to facilities for owners, and how long do these benefits tend to last?

4. (1 point) What is an incidental cartel?

5. (3 points) Describe two types of taxes that might be used to fund stadiums, and then discuss the extent to which those taxes are equitable (fair).

6. (1 point) What is statistical discrimination?
7. (2 points) What is a municipal bond, and how does it relate to stadiums?

8. (2 points) Chapter 7 in Zimbalist discusses financing of the Olympics. Who primarily finances the Olympics, and are the Olympics profitable for the host city? Why or why not?

9. (2 points) Describe how a multiplier effect works with economic impact studies of facilities, then describe two reasons why economic impact studies may overestimate the impact of facilities.

10. (2 points) Pick one of these two questions: either describe the premise behind the study of monopolies potentially alleviating negative externalities with respect to the NHL, or describe what the Rooney Rule is and how it relates to discrimination and the NFL.