

# Course Guide Sports Finance

## Minor Sports Management



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MC-SPORTFIN-18

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Vereenvoudigen voor eigen gebruik of intern  
gebruik is toegestaan.

## Sports Management

# 1 Course description

Sports Finance is an important and increasing aspect of Sports Management. The Sports Management minor offers students the opportunity to develop deeper into this subject matter.

One of the courses is the Sports Finance module. Here the specific characteristics of the sports financial issues are discussed and the influence these characteristics have on the management of a sports organization. In addition, we work in group form on an assignment that is presented at the end of the block.

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In general: Advising on financial sports management issues of sports companies, leagues and organizations.

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- Analyzing the financial position (also in an international perspective)  
Including ratio analysis
  - Preparing forecasts of balance sheets, profit- & loss accounts
  - Evaluating funding alternatives for investments like crowdfunding
  - Improving financial structure of companies
  - Understanding cash management incl. credit management issues
  - Making capital budgeting decisions
  - Determining risk issues in sports
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## 2 Course Goals and Learning Objectives

The module aims to provide the student with a basic understanding of financial principles, and how to deal with certain economic issues within sports. Are sports organizations different than ordinary businesses?

The topics to be discussed in this module:

- The Basics of Sport Finance  
Financial Issues in Sport, Basic Financial Concepts, Financial Systems and How They Operate
- Principles of Financial Analysis  
Financial Statements, Forecasts, and Planning, Time Value of Money, Approaches to Financial Planning
- Capital Structuring  
Obtaining Funding, Venture Capital, Stocks, Bonds, Bank financing, Crowdfunding
- Financial Management  
Capital Budgeting, Short-Term Financial Management, Credit Management
- Profits and Exit  
Spending Earnings, Harvesting, Exit Strategy

### 3 Place in the Curriculum and Related Courses

The course Sports Finance is part of the minor Sports Management and is related to the other courses in the minor, which consists of

- 1. Sports Marketing (5 EC), term A/C**  
Within this course we look at the unique marketing mix of sports organizations. In addition, we will look extensively at one of the most important elements of the promotion mix, namely sports sponsoring
- 2. Sports Psychology, term A/C & Effort Physiology, term B/D (total 5EC)**  
These courses are offered by the Faculty of Healthcare and provide insight into two typical fields that many sports managers will encounter in the future
- 3. Sports Management (5EC), term A/C**  
Organizations in sport often have a typical financial structure. On the basis of theoretical models and real life cases, insight is provided here.
- 4. Starting your own sports company (5EC), term B/D**  
You will be challenged to write a business plan for a company in sports. This includes aspects such as marketing, operations, sponsoring and financial management.
- 5. Sports management in international perspective – exchange trip (5EC), term B/D**  
In collaboration with students from and at an international partner University, you work on a practical assignment in which as many aspects of sports management as possible are dealt with, with the extra focus; the international environment and cultural aspects.

The course Sports Finance is a 5 EC course and is offered in term B and D.

## 4 Study Burden per Block

Total study burden per student is 140 hours. [5 EC]

<b>Activity</b>	<b>Description</b>	<b>Total</b>
Attending lectures	6 times 2 hours	12 hours
Homework (studying theory)	3 hours per week	21 hours
Consults and preparation	4 times 5 hours	20 hours
Group assignment	Incl. briefing, research and report	80 hours
Final presentation and preparation		7 hours
<b>Total</b>		<b>140 hours</b>

## 5 Prerequisites

Not Applicable

## 6 Exemption Possibilities

The course is in English and assumes that the student is able to pro-actively use the English language

There are no possibilities for exemption, unless the student can demonstrate that he / she has completed a comparable course with a different economic education with sufficient results. This is then taken into consideration and submitted to the Examination Board.

# 7 Competencies and Learning Objectives

Students will have a critical understanding of:

- Different financial objectives and the lifecycle of (sports) organizations;
- The diversity of league structures;
- Budgets and financial reports; and
- Forecasting and valuations.

Students will acquire the ability to:

- Analyze organizational budgets and financial reports;
- Create a fundraising strategy for a (non-) profit organization;
- Develop a cash budget; and
- Develop a financial plan including balance sheet, profit & loss account and cash flow statement.



## 8 Didactic Forms

The lectures takes place in a group of maximum 30 students in a combination of lectures, tutorials and consultancy. Over a period of 10 weeks, the students work in subgroups of up to 5 people on the final assignment. The paper has to be written on an individual base.

The chapters and cases as stated in the week planning should be prepared before attending classes.

## 9 Assessment

Type of assessment	Weighting	Min. Mark
Individual paper	50%	5.5
Group assignment and presentation	50%	5.5

### Written assignment

An individual paper has to be written about a sport finance topic

### Group assignment

An advisory report and presentation of a financial plan has to be delivered at the end of the course.

### Resit

For the paper and groupsassignment is a resit opportunity at the end of the next period.

If the assignment is insufficiently assessed, the students from the group will individually be given the opportunity to improve the work they have delivered

### Fraud

Fraud situations are treated very seriously. All relevant documents are submitted by the lecturers and others to the Examination Board.

An important form of fraud is plagiarism. This is understood to mean the definition given in the Dutch dictionary and the wording in the OER (Education Examination Regulations).

This implies:

1. Handing in assignments that show too many similarities with someone else's work.
2. Copying (pieces of) text or ideas of books, magazines, internet, etc. without citing the source.
3. Taking over answers from other students during the exam.
4. Allowing other students to take over your work and hand it in.

The forgery of academic, medical and other sources etc. is also a form of fraud and is treated equally seriously.

## 10 Course Material, Literature

<b>Book (mandatory)</b>					
Title:	The Business of Sport Management - Chapters 7, 14, 17				
Author(s):	Beech & Chadwick				
ISBN:	978-0-273-72133-8	Edition	Second	Publisher:	Pearson
<b>Treated topics and literature during lectures (mandatory)</b>					

Several cases will be handed out discussed in class.

# 11 Course Evaluation

Evaluation of the course and exam will take place at the end of the block on the authority of the Institute.

## 12 Group assignment and planning

### The Financial Plan

The groups assignment of this module is the financial paragraph of a Business Plan. Working in teams, you must design a financial plan. As you always need funding for the venture you have to produce a financial plan based on an in depth forecast analysis including balance sheet, profit & loss account and cash flow overview.

The set of criteria that will be used to assess your financial plan:

- Three years forecast of profit and loss account (P&L); main assumptions should be mentioned; include scenarios; please use the formats shown in class (detailed calculations can be shown in an appendix).
- Three years forecast of the required financing (funds needed for the required investments in assets (fixed and/or floating) plus start-up losses (negative cash flows in the first year(s)).
- Financing sources (like F&F, crowd funding, sponsoring/donations, subsidies, issue of shares, bank loan(s), microfinance). Determine the annual returns for the shareholders.
- Balance sheets (B/S) for 3 years, needed in case you make investments in assets or start-up losses (when you have no assets to invest in, the format will be simple); Include a cash flow statement.
- Evaluation of the risks involved, and measures to mitigate these risks.

The grading will be based on showing and explaining the issues mentioned above, equally weighted.

week	topic	assignments
1	Lifecycle, goals and governance	Read chapter 7
2	Financial analysis and forecasting	Ratio analysis
3	Capital Structure	Basic Fit case
4	Capital budgeting and risk management	Tottenham Hotspurs case
5	Cash and credit management	Pace Leisureware case
6	Presentation of the financial plan	Presentation and paper
7	Resit	