

Bachelor-Seminar  
“The Sports Sector as a Laboratory  
for Microeconomic Research”

(Summer Term 2017)

Prof. Dr. Gerd Muehlheusser and Niklas Wallmeier, M.Sc.

**Preliminaries:** The seminar will take place as a *Blockseminar* from SAT May 20 to MON May 22, 2017 at the youth hostel Dikjen Del in Westerland (Sylt).<sup>1</sup> All three seminar days will be fully occupied with seminar slots so that participants are expected to arrive on FRI May 19 and to leave on TUE May 23. The seminar will be held jointly with students from the University of Regensburg (Prof. Dr. Andreas Roider).

**Expenses:** The costs per night in the youth hostel are 35 Euro per person (shared rooms, including full board) plus 3,30 Euro visitor’s tax. The total amount of 153,20 Euro for accommodation (4 nights à 38,30 Euro) must be paid in advance (cash only) at the startup meeting on THU March 16, 2017 (see below). Important: You need to bring the exact amount of 153,20 Euro in cash.

Students must organize and pay for their trip on their own. With a Semesterticket, the price is about 15 Euro (one-way) with the Nord-Ostseebahn (NOB). Groups of 5 can ride on a *Schleswig-Holstein Ticket* for a total of 37 Euro (one-way) for the whole group.

**Seminar Format:** The seminar is paper-based and covers a number of topics in areas where the sports sector has proven a valuable laboratory for microeconomists. Each session is centered around the core reference(s) on the respective topic on the reading list, to be presented by groups of two students, followed by a discussion (which should go beyond the core references; again by groups of two), and a general in-class discussion. The written paper (Seminararbeit) is supposed to build on a larger base of the relevant literature. The **main language of the seminar is German**, but, if preferred by you, your presentations and seminar paper may be in English as well.

**Prerequisites:** Solid knowledge in Microeconomics, Game Theory and Microeconometrics.

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<sup>1</sup><http://www.jugendherberge.de/de-de/jugendherbergen/westerland%20dikjen%20deel667/portraet>

### Assessment:

1. Seminar presentation (ca 30-45 min, 45%)
2. Written paper (Seminararbeit, 12-15 pages, 45%)
3. Presentation as a discussant (ca 10 min, 10%)

Group work (presentations and seminar papers) will be graded for the group as a whole, and each group member receives the same grade. Students who insist on individual grades must notify us **in advance**. Active participation in the general class discussions following the presentations is strongly encouraged and can upgrade your final grade by up to 0,4.

### Important Dates Before the Start of the Seminar:

- **Registration:** Students can register for the seminar via STINE (“1. Anmeldephase” from FEB 13 until MAR 2).
- THU March 16, 2017 (12h, VMP5, Room 2175/2181): **Start-up meeting** and assignment of groups for the presentations and discussions. This is also the **deadline for the payment** of 153,20 Euro (in cash!) for the youth hostel (see above).
- WED May 10, 2017 (midnight): Each group must notify us (via mail to Niklas Wallmeier, niklas.wallmeier@wiso.uni-hamburg.de) on which paper the group’s presentation will focus. This ensures that discussants have enough time to prepare their discussion.
- WED May 17, 2017 (midnight): **Deadline** for submitting the **written papers** (Seminararbeiten) and the **slides of the main presentations** (not for the discussions) by email to Niklas Wallmeier (Email). Note that this means that you must submit this material **before the seminar takes place!**

# Seminar Topics

For each of the topics, there will be a presentation and a discussion by a group of students. Half of the topics will be assigned for presentations by students from Hamburg (those are marked “**H/R**”), the other half for presentations by students from Regensburg (those are marked “**R/H**”). The respective discussion will be held by students from the other place.

## I. Contests and Tournaments: Theory

- **Topic 1 (R/H):** Theory

Core references: Konrad (2009, Ch. 2), Nitzan (1994)

Add. references: Lazear and Rosen (1981), Tullock (1980)

## II. Contests and Tournaments: Evidence from the Sports Sector

- **Topic 2 (H/R):** Golf

Core reference: Ehrenberg and Bognanno (1990a)

Add. references: Ehrenberg and Bognanno (1990b), Orszag (1994)

- **Topic 3 (R/H):** Running and Racing

Core reference: Azmat and Möller (2009)

Add. references: Lynch and Zax (2000), Becker and Huselid (1992)

- **Topic 4 (H/R):** Heterogenous Contestants:

Core reference: Brown (2011)

Add. references: Berger and Nieken (2016), Nieken and Stegh (2010), Sunde (2009)

## III. Contracts

- **Topic 5 (R/H):** Biases in Contract Choice

Core reference: Della Vigna and Malmendier (2006)

Add. reference: O'Donoghue and Rabin (1999)

- **Topic 6 (H/R):** Contract Durations and Effort Incentives

Core reference: Stiroh (2007)

Add. references: Falk et al. (2007), Berri and Krautmann (2006)

- **Topic 7 (H/R):** Contract as Rent Seeking Devices  
Aghion and Bolton (1987), Spier and Whinston (1995), Feess, Gerfin, and Muehlheusser (2015)

#### IV. The Role of Managers in Organizations

- **Topic 8 (H/R):** Managers' Impact on Organizational Performance:  
Core references: Bertrand and Schoar (2003), Muehlheusser, Schneemann, Sliwka, and Wallmeier (2016b)  
Add. reference: Lazear et al. (2014)
- **Topic 9 (R/H):** The effect of managerial change on team performance:  
Core reference: Audas et al. (2002)  
Add. references: Bruinshoofd and ter Weel (2003), de Dios Tena and Forrest (2007)
- **Topic 10 (H/R):** The role of team heterogeneity:  
Core reference: Muehlheusser, Schneemann, and Sliwka (2016a)  
Add. reference: Höffler and Sliwka (2003)

#### V. Dysfunctional Reactions to Incentives

- **Topic 11 (R/H):** Manipulation in Sports Betting Markets  
Core reference: Wolfers (2006)  
Add. references: Diemer and Leeds (2013), Borghesi et al. (2010)
- **Topic 12 (H/R):** Match-Rigging  
Core reference: Duggan and Levitt (2002)  
Add. references: Dietl et al. (2010)
- **Topic 13 (R/H):** Favoritism under social pressure  
Core reference: Garicano et al. (2005)  
Add. reference: Sutter and Kocher (2004)

#### VI. Game Theory

- **Topic 14 (R/H):** Mixed Strategies  
Core references: Chiappori et al. (2002)

Add. references: Coloma (2007), Bar-Eli et al. (2007), Gibbons (1992), Tadelis (2013)

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