Introduction to Sports Economics

Economics · Practice Test · 8 Questions

1. What is the primary source of revenue for most major professional sports leagues?

A) Ticket sales
B) Broadcasting rights
C) Merchandise sales
D) Parking fees

2. In sports economics, what is a 'salary cap'?

A) A limit on the total amount a team can spend on player salaries
B) The maximum height a player can be
C) A tax paid by fans to enter a stadium
D) A limit on how many games a team can win

3. Which term describes the money paid to a sports team by a company to display their logo on a jersey?

A) Salary
B) Sponsorship
C) Dividend
D) Interest

4. What happens to the price of tickets for a high-demand sporting event according to the law of supply and demand?

A) Prices stay the same
B) Prices decrease
C) Prices increase
D) Prices are regulated by the government

5. What is a 'free agent' in professional sports?

A) A player who plays for free
B) A player whose contract has expired and can sign with a new team
C) A player who is injured
D) A mascot for a sports team

6. What is the main purpose of a 'naming rights' deal for a stadium?

A) To honor a famous athlete
B) To increase the ticket price for every seat
C) To generate revenue by naming the venue after a brand
D) To reduce the cost of building the stadium

7. What does the term 'gate receipts' refer to in sports economics?

A) The total cost of stadium security
B) Income generated from ticket sales for an event
C) The cost of maintaining the grass pitch
D) The price of snacks sold at the stadium

8. What is a 'franchise' in the context of professional sports?

A) A sports equipment store
B) A professional sports team that is a member of a league
C) A ticket printing company
D) A type of sports insurance

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