

Elementary Economics of Sport Facts

Economics Of Sport · Answer Key · 8 Questions

1. What is the main way professional sports teams make money to pay their players and run the team?

- A) Selling lemonade at games
- B) Charging people to watch the games (tickets) and selling team merchandise**
- C) Asking for donations from fans
- D) Winning lotteries

2. When a famous athlete signs a contract with a company to promote their products, this is called a:

- A) Team bonus
- B) Sponsorship deal**
- C) Player draft
- D) Trade agreement

3. If a sports stadium is built, what is one of the main economic benefits for the local town or city?

- A) It creates fewer jobs
- B) It makes it harder for businesses to open
- C) It creates jobs for people who build and work there, and brings in customers for local shops**
- D) It costs the city more money than it earns

4. What is a 'salary cap' in professional sports?

- A) A limit on how much fans can cheer
- B) A rule that limits the total amount of money a team can spend on player salaries**
- C) A special type of sports equipment
- D) A trophy given to the best player

5. Why do some popular sports stars earn much more money than others?

- A) Because they are friends with the team owners
- B) Because they are very skilled and popular, which makes them valuable to teams and advertisers**
- C) Because they play more games
- D) Because they have the loudest fans

6. When a sports league creates a 'draft' for new players, what economic principle is being used?

- A) To make sure only the richest teams get the best players
- B) To give all teams a chance to get new talent, aiming for a fairer competition**
- C) To pay older players more
- D) To reduce the number of games played

7. What is 'merchandise' in the context of sports?

- A) The rules of a game
- B) The cost of stadium food
- C) Items like jerseys, hats, and souvenirs that fans buy with team logos or player names**
- D) The score of a game

8. When a country hosts a major international sporting event like the Olympics, it can boost the economy by:

- A) Making it more expensive for residents to travel
- B) Reducing the number of tourists
- C) Bringing in money from tourists and creating temporary jobs**
- D) Causing traffic jams that stop all business