Elementary Economics of Sport Facts

Economics Of Sport · Practice Test · 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