SOMAIYA VIDYAVIHAR UNIVERSITY

Semester: July 2024 - Nov 2024 Examination: End Term Examination		
Programme code: 14 **Programme: MBA Sports Management**	**Class:** FY	**Semester:** I **(SVU 2024)**
Name of the Constituent College: **K. J. Somaiya Institute of Management**		**Name of the department/Section/Center:** ECO
Course Code: 317P14C111	**Name of the Course: Sports Economics**	

Maximum Marks: 50 **Date: 8th Nov 2024**
Duration: 2 hrs

Instructions:- Attempt any 5 questions

Question No.		Max. Marks
Q1	You are part of the management team for a popular football club, responsible for organizing and pricing tickets for an upcoming high-profile match. Historically, the club's stadium holds 50,000 seats, and ticket prices have been set at $120, with the stadium selling out consistently. However, for this match, there is uncertainty around demand due to the team's recent underperformance and competition from a nearby event on the same day. A. Using the principles of demand and supply, explain how the team's recent performance and the competing event might affect the demand for tickets. What factors would influence the elasticity of demand in this scenario? B. The management is considering reducing ticket prices to $90 to increase sales. Assuming that the demand increases from 40,000 to 50,000 tickets sold with this price change, calculate the price elasticity of demand for the tickets. Based on this result, discuss whether the demand for tickets is elastic, inelastic, or unitary elastic, and what this means for revenue optimization. C. Additionally, analyze how other factors, such as fan loyalty programs, exclusive promotions, or potential changes in team performance leading up to the match, could shift the demand curve. What non-price strategies could the club implement to maximize attendance and revenue for the event?	10
Q2	The production facility of a bicycle manufacturing company has fixed costs of $500,000 per month, and the variable cost per bicycle is $400. Currently, the company produces and sells 2,000 bicycles per month for $1,000 each. A. Calculate the total cost, average cost, and marginal cost of producing electric bicycles at the current production level. Explain the difference between these cost concepts and why they are important for managerial decision-making. B. The company is considering increasing production to 3,000 bicycles per month in response to rising demand. Assuming the fixed costs remain the same and the variable cost per unit stays constant, what will happen to the total cost, average cost, and marginal cost? Based on your calculations, discuss whether the company should scale up production, considering cost efficiency.	10

Q3	Explain the key characteristics of an oligopoly and discuss how these apply to the sports broadcasting industry. What role does interdependence among major networks play in shaping their pricing and strategic decisions?	10
Q4	Explain how hosting a large-scale sports event like the FIFA, Cricket World Cup or Olympic can directly and indirectly affect the national income of the host country.	10
Q5	Hosting international sports events often leads to substantial public infrastructure investment (e.g., stadiums, transportation), which may or may not generate long-term returns. Evaluate the risks and rewards of such investments on national income growth after the event is over. Should governments continue to pursue these large-scale sports events for economic gain? Justify your position.	10
Q6	Review the current Sports Policy of the Government of India. What are the actions taken by the Government to enhance sports performance of India?	10
Q7	Write a short note on any 2 a) Economies of scale and diseconomies of scale b) Laws of Returns to Scale c) Discrimination in Sports d) Sports Betting in India	5+5