

Economics of Media and Entertainment

(ECON-UB.0120.01.SP17)

■ **Course meetings.** Monday and Wednesday, 11:00pm to 12:15pm, Room KMC 5-80.

■ **Course description and learning goals.** The media and entertainment industries (including professional sports) share a series of peculiar features: essentially, they (a) produce an intangible output (e.g., a music recording), which can be distributed in a variety of forms; and (b) do so based on an input which is extremely idiosyncratic: the creative output of a person or group of persons (e.g., a singer or a band). Finally, (c) recent technological innovation has changed the balance of power between the various players and led various industry segments to re-invent their business model.

This course provides an introduction to the businesses of media and entertainment: value chain, key players, significant trends, etc. It takes a distinctive economics perspective to understanding how the forces of supply and demand have changed the business model of various industry segments.

■ **Target audience.** Anyone interested in understanding the distinctive economics of media and entertainment industries. This course will not turn you into an industry expert, but it will help you think about the peculiar economics of a peculiar set of industries.

■ **Course pre-requisites.** This course is an introduction to the media and entertainment industries. While prior industry knowledge is a plus (for you and for your colleagues), it is not a requirement. Some knowledge of microeconomics is helpful, but the course material is largely self-contained.

■ **Course outline.** The course starts off with an overview session that documents important trends in the media and entertainment industries. Following that, we dive into the core of the course: the peculiar economics of media industries (supply and demand, pricing, superstar phenomena, platforms, etc). Next, we cover some specific sectors, including new media, book publishing, music, movies, videogames. A special section is devoted to the business of professional sports. The course concludes with student presentations on the future of various media and entertainment industries.

■ **Required course materials.** I will provide draft chapters from two books: L Cabral, *The Economics of Entertainment and Professional Sports*, draft, 2016; and L Cabral *Introduction to Industrial Organization*, 2nd Ed, MIT Press, 2017. Additional readings will be assigned in the detailed outline and/or distributed throughout the semester.

■ **Assignment components and grading.** At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence.

To ensure fairness and clarity of grading, the Stern faculty have agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines.

I have elected to use the following grading guidelines for this course: There will one midterm, given in class, covering primarily the basic economics of media and entertainment industries (40% of final grade). In addition, a group presentation and report are due at the end of the semester (50% of final grade). Finally, class participation will count toward 10% of the final grade.

Please note that questions about grading must be made in writing and no more than a week after the tests are returned.

■ **Classroom norms.** Arrive to class on time and stay to the end of the class period. Chronically arriving late or leaving class early is unprofessional and disruptive to the entire class.

■ **Academic integrity.** Integrity is critical to the learning process and to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.
- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

■ **General conduct and behavior.** Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with the various Stern Undergraduate Academic Policies.

■ **Students with disabilities.** If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

■ **Help.** There are times when a little help can get you past an obstacle. If you're stuck, send me an email (lcabral@stern.nyu.edu) or stop by my office (KMC 7th floor, room 70). I try to respond quickly to email.