



UNIT 3 EXAM

NAME: _____

CLASS PERIOD: _____

DATE: _____

UNIT 3: SPORTS & ENTERTAINMENT BUSINESS FUNDAMENTALS

TRUE/FALSE (15 questions)

Indicate whether the following sentences or statements are true or false.

1. _____ As it relates to a Hollywood film, product placement is the same thing as a product tie-in.
2. _____ It is not just the national television deals that are valuable to professional sports teams; local television rights deals can also generate millions in revenue.
3. _____ The sale of ancillary products makes a profit for film creators in the form of sales, royalties and licensing fees.
4. _____ Revenue is not important to non-profit organizations in sports and entertainment.
5. _____ Professional sports teams do not rely on ticket sales as a major revenue stream..
6. _____ All professional sports teams are profitable.
7. _____ Hollywood films that gross over \$100 million are always profitable.
8. _____ Boxing, UFC and WWE are examples of sports and entertainment properties that generate a significant source of revenue through pay-per-view sales.
9. _____ Bubba Gump Shrimp Company restaurants provide an example of reverse product placement.
10. _____ A significant revenue stream for many professional sports teams is the sale of luxury suites and premium seating.
11. _____ The value of professional sports teams has now started to decline after nearly a decade of significant growth..
12. _____ Most owners of major league professional sports teams become wealthy as a result of profits generated by their team(s).
13. _____ Ancillary products are products related to or created from a core product.
14. _____ Ratings provide an indication of how many people a particular broadcast reaches.
15. _____ Fundraising and donations are not an important source of revenue for collegiate athletic programs.

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MULTIPLE CHOICE (10 questions)

Identify the letter of the choice that best completes the statement or answers the question.

- _____ 1. Patterns within an industry that relate to things like pricing, costs and consumer behavior are known as what?
 - a. Data crunching
 - b. Industry trends
 - c. Analytics
 - d. All of the above

- _____ 2. The concept of opening a short-term sales space, often launched as a promotional tool to create awareness and build interest for new products is known as what?
 - a. Product launch
 - b. Pop-up store
 - c. Industry segment
 - d. Retail

- _____ 3. _____ are the means for an organization's cash inflow, typically as a result of the sale of company products or services.
 - a. Revenue Streams
 - b. Net Profits
 - c. Bulk Sales
 - d. Inflated Income

- _____ 4. _____ are products related to or created from the core product.
 - a. Sports Products
 - b. Ancillary Products
 - c. Entertainment Products
 - d. Secondary Products

- _____ 5. Which of the following are examples of costs that could be incurred by a sports team?
 - a. Investment in the customer
 - b. Player salaries and staff payroll
 - c. Facility rental
 - d. All of the above

- _____ 6. A blockbuster Hollywood film might generate the following ancillary product:
 - a. DVD
 - b. Video
 - c. Merchandise Rights
 - d. All of the above

- _____ 7. Shifts in industry trends could include:
 - a. Customer buying patterns
 - b. A competitor going out of business
 - c. New technology
 - d. A and C above

- _____ 8. _____ are fees paid by broadcast companies to sports or entertainment properties for the opportunity to provide live coverage of the property's games and events on television, the radio or streaming rights.
 - a. Royalties
 - b. Promotional tie-in
 - c. Product placement
 - d. Broadcast rights

- _____ 9. _____ is not an example of a revenue stream at the local cinema.
 - a. Ticket Sales
 - b. Streaming subscriptions
 - c. Movie Previews
 - d. Concessions

- _____ 10. Which of the following is a segment of the entertainment industry?
 - a. Mickey Mouse
 - b. Scooby Doo
 - c. Recorded Music
 - d. A and B above



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SHORT ANSWER (5 questions)

1. List five examples of segments within the sports industry.
2. List five examples of segments within the entertainment industry
3. List three possible sources of revenue for a Hollywood film.
4. Describe one current sports / entertainment industry trend.
5. Describe an ancillary product for one of your recent favorite movies and explain why you think it would be a top selling product.



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ESSAY

1. Explain how a professional sports team achieves profitability.