

## The Box Office Game

### Description:

The purpose of the game is for you to learn and understand a little bit about what determines the box office success and/or failure of a movie. You will be part of a group of 2 (or 3) of your fellow students and will be responsible for buying and selling movies to be included in your portfolio based on how well you feel the movies will fare at the box office during the first 2 weekends it is released. You will be graded based on your Group Report in which you will explain and document your transactions and discuss your box office predictions. In addition, the most successful groups will be awarded extra credit.

### Rules:

1. *Groups*
  - a. Groups must start the semester with 2 (or 3) students.
  - b. At no point in time may individuals either leave their groups or be removed from their groups.
  - c. Each group will be assigned one and only one grade. There are no individual grades.
  - d. Each group must choose an official group name and a group broker who is responsible for all buying and selling of movies.
  
2. *Your Portfolio*
  - a. Your group's portfolio is defined as its remaining budget and the movies that it has purchased.
  - b. Each group is responsible for keeping an up-to-date portfolio and bringing it to class every day.
  - c. As game moderator, I will keep each group's official portfolio which can be checked once a week by email or in person at no charge.
  - d. You can not own more than one of any movie.
  
3. *Daily Activity*
  - a. The current listing of movie prices and box office receipts will be available on the game webpage:  
<http://www.csus.edu/indiv/l/langd/moviegame.html>
  - b. The prices will be updated each Monday, Tuesday, Wednesday, and Thursday morning by 10 AM.
  - c. Prices may change from one day to another based on changes in the Demand/Ownership of the movie, industry or movie-specific information, or the whim of the game moderator.
  - d. Your team may buy and/or sell as many movies as you wishes each day by sending an email to: [lang@csus.edu](mailto:lang@csus.edu) with the subject "TRANSACTION".
  - e. Emails should use the following sample form:  
Team Name: Economics Rules!  
Buy: Batman Begins; Revenge of the Nerds; Sixteen Candles  
Sell: Moulin Rouge

4. *Your Budget*
  - a. Each team will start the game with \$250 million.
  - b. You may be able to increase this budget by “playing the market” – i.e., buying low and selling high.
  - c. You can not reinvest your earnings at the box office. Once a movie that you have in your portfolio is released, that movie will remain in your portfolio for the remainder of the game and the box office receipts will convert into points.
  
5. *Transaction Costs*
  - a. Buying any movie: \$0
  - b. Selling an ‘XS’ movie: \$0
  - c. Selling a ‘S’ movie: \$300,000
  - d. Selling a ‘M’ movie: \$500,000
  - e. Selling a ‘L’ movie: \$1 million
  - f. Selling an ‘XL’ movie: \$2 million
  - g. Checking your portfolio for the first time in the week: \$0
  - h. Each portfolio check after the first time in a week: \$10 million
  - i. Improper email format (first time ever): \$1 million
  - j. Improper email format (after first time): \$10 million
  
6. *Keeping Score*
  - a. Points are determined by the official box office receipts over the course of the first 2 weekends (Friday through Sunday only).
  - b. Your team receives one point per million dollars in box office receipts.
  - c. Your team loses one point per million dollars in transactions costs.
  - d. No points will be awarded for unused budget at the end of the game.
  
7. *The Final Report*
  - a. The final report must describe the content and performance of your portfolio throughout the game, reasons for the choices made, an evaluation of your group’s performance, and what you learned from the game.
  - b. It must be 6-9 pages including any references and/or figures, double-spaced, with 1-inch margins all around and 11 or 12 point font.
  - c. This project constitutes 10% of your course grade.
  
8. *Extra Credit*
  - a. Extra Credit will be awarded for the groups that out-perform the average.
  - b. Significant extra credit will be awarded to the first-place group.
  - c. Actual award amounts will be determined shortly after the game commences.

\*\* Last year, at least half of the class received some extra credit including, dropping additional low graded essays, letter grade increases on the big essay, and automatic A grades on the Final Exam.!