

Abstract

Football is one of the most popular sports worldwide, thanks to such popularity huge market evolved around the sport and thus attracted economists' attention. As a sport, it also represents an ideal environment for testing various hypotheses of contest theory. In this thesis, data from the UEFA Champions League are used to evaluate the prize money distribution. We begin our analysis with primary characteristics of the contest that are fundamental for the contest designer, for example, the heterogeneity of the contestants. In the main part, we assess the incentive effect of the prize. While this phenomenon was previously studied on data from individual sport, we explore this topic in the context of team sports using the data from the knock-out stages of the tournament. The results show prevailing evidence in support of the incentive effect of the prize. Alternative models are also provided to check for robustness and they mostly confirm our results.