

PROJECT SUMMARY

(Financial Mathematics and Excel)

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ROLL NO: 07

SECTION: A

WHAT IS UNIVERSAL SWAP?

Universal swap It is fourth largest cryptocurrency exchange in the whole world.

A cryptocurrency exchange, or a digital currency exchange (DCE), is a business that allows customers to trade cryptocurrencies or digital currencies for other assets, such as digital money or other digital currencies. Exchanges may accept credit card payments, wire transfers or other forms of payment in exchange for digital currencies or cryptocurrencies.

In this project, we have calculated the various types of cashflows with or without

Alternium and on its basis we check the viability of Universal Swap.

Alternium is the new type of cryptocurrency which is expected to create huge liquidity pools.

We are given various data(given below) data That we can use to calculate its viability.

R & D Expenses, Market Potential and Share, Pricing and Unit cost, Introductory cost, New Participants, Server facilities and Costs, G & A Expenses, Equity and Debt, Tax rates, Macro Data, Cost of capital, Working capital.

Question 1)

In the first question, we calculated the After Tax incremental cashflows.

After Tax incremental Cashflows or CFAT (cash flow after tax) is a measure of cashflow that takes into account the impact of taxes on profit. This method is used to calculate the depreciation index of the company.

In estimating this, one should take into consideration all types of costs including the acquisition costs, current liabilities, sunk costs.

Question 2)

What is Net Present Value?

- Net present value, or NPV, is used to calculate the current total value of future stream of payments.
- If the NPV of all payments is positive, it means that the discounted factor of these

payments will also be positive that is more attractive for other businesses to invest.

The net present value thus calculated is 22738.3 million.

IRR (Internal Rate of Return)

- IRR is a financial tool that is used to calculate the profitability of business.
- The calculations of IRR are done in the same way as NPV.
- IRR is calculated by setting the value of $NPV=0$.

The IRR thus calculated in the question is found to be closely 97%.

Question 3)

Assumptions made:

The project is set to start from 2022-2042.

Inflation Index: 1.5%

There is a 3% increase in cost.

Therefore we observe that the growth of universal swap in creating huge liquidity pools is immense.

NPV = \$45048.615(MILLIONS)

