Explaining what I did in all the parts of Universal

1-The research and development cost were $15 Million which was only paid on Time 0.

2-Introductory costs have been depreciated by the Straight-line method as mentioned in the question. The annual depreciation was derived using the formula: (Current Value-Depreciated value)/Number of years

3-The market potential was calculated by compounding the number of participants (using growth rate).

4- Pricing and unit costs helped to calculate revenue from operations, cost and profit from operations as No. of participants were given and cost , pricing per each participant is given.

5-New participants on Alternium are a facility that is specific to the international participants. The 5000000 which have increased over the years. The prices have also been inflated as per the assumption. 6-The general and administrative costs to the new pool are categorised into administrative costs and general as the name suggests. They are increased at 5% and 10% respectively

7-Advertising expenses without the calculated at the first place inflating them at 5%. Then the pool expenses were calculated, which is 15% greater than the expenses without it.

8- Server facility: 30 million users use 65% of the server. Hence the new server will be bought in (30 million\*1/65%) i.e., 46153846.15 customers. Also, the cost of server in each year is given in the excel sheet. Since the question states that the tax is charged on Revenue instead of profit, the Total Revenue that was calculated earlier is deducted by 10%. Note: Ignore working capital until total revenue and total expenses are calculated.

9-Side benefits can be described as subsidies in this case study as I interpret it. They reduce the burden of cost on the owner of the business.

10-A separate sheet has jotted the equity and debt proportion of the company.

Also,

Total expenses were calculated by adding Advertisement Expenses, G&A expenses and Introductory Costs ( Depreciation ).

Total Revenue was calculated by adding Revenue from operations, Side Benefits, New Participants in Alternium.

Net Cashflows were calculated by Subtracting Total Expenses from Total Revenue.

Net Present Value (NPV) is calculated by discounting Net cashflows .