

# FM & EXCEL PROJECT

BY AARYA DANTARA

ROLL NO15

DIV:-A

UNIVERSAL SWAP LTD.

## SUMMARY REPORT

Universal swap It is fourth largest cryptocurrency exchange overall by daily trading volume.

1. What is cryptocurrency exchange?
  - 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 conventional fiat money or other digital currencies.
2. Exchanges may accept credit card payments, wire transfers or other forms of payment in exchange for digital currencies or cryptocurrencies.
3. A cryptocurrency exchange can be a market maker that typically takes the bid-ask spreads as a transaction commission for its service or, as a matching platform, simply charges fees.

Under this project we have to calculate, forecast, assume various types of cash flows on the basis of which we have to check the overall viability of the cryptocurrency exchange (UNIVERSAL SWAP).

Universal swap is launching new coin Alternium on its platform for which it is intending to create a new liquidity pool.

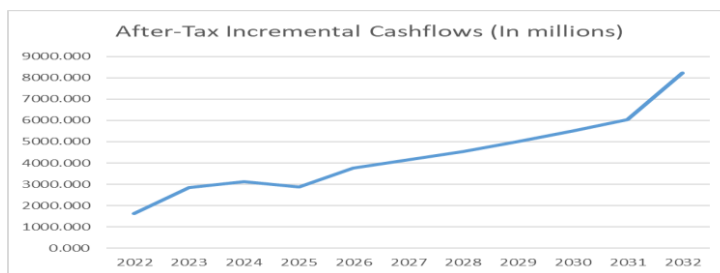
For calculations we are provided with various information such as –

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

#### AFTER-TAX INCREMENTAL CASHFLOWS

- Cash flow after taxes (CFAT) is a measure of financial performance that shows a company's ability to generate cash flow through its operations. It is calculated by adding back non-cash charges such as amortization, depreciation, restructuring costs, and impairment to net income.

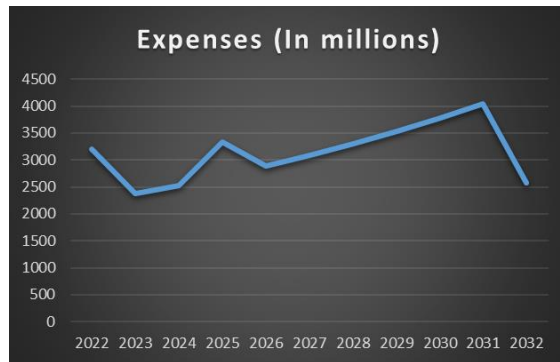
##### AFTER-TAX INCREMENTAL CASHFLOWS



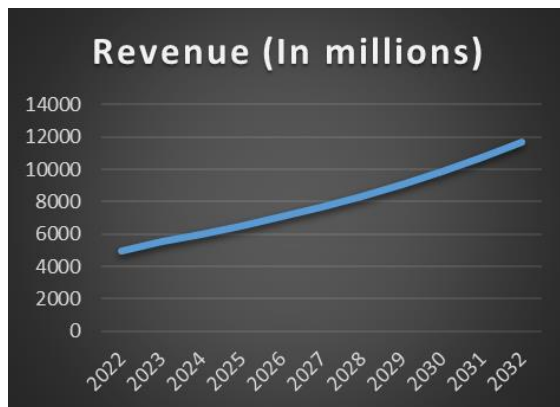
After watching the cashflows from 2022 to 2032 we can see that there is an continuous increase in after tax incremental cashflows because of increasing popularity of crypto

universal swap exchange market capital rose to mind boggling \$22 billion dollars and increasing exponentially.

##### TOTAL EXPENSES



### TOTAL REVENUE



When we see the above tables, we can see that revenue is increasing at an gradual pace and expenses in the last two years is decreasing which is result of more sustainable and effective employment of resources.

Q.2

Q. WHAT IS NPV (NET PRESENT VALUE)?

→ Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project. NPV is the result of calculations used to find today's value of a future stream of payments.

**NPV OF THE PROJECT IS - \$ 22738.30205 (MILLIONS)**

Since the NPV of the project is so high it means that If NPV is positive, that means that the value of the revenues (cash inflows) is greater than the costs (cash outflows). When revenues are greater than costs, the investor makes a profit.

Year	Time	After-Tax Incremental Cashflows (In millions)	Discounting factor	Present Value (In Millions)
2022	0	-3193.905	1	-3193.90464
2023	1	2837.908079	0.900900901	2556.673945
2024	2	3118.351423	0.811622433	2530.923969
2025	3	2861.957936	0.731191381	2092.638976
2026	4	3765.597976	0.658730974	2480.516023
2027	5	4138.451339	0.593451328	2455.969443
2028	6	4548.704353	0.534640836	2431.923098
2029	7	5000.255961	0.481658411	2408.41534
2030	8	5497.425968	0.433926496	2385.478789
2031	9	6045.001704	0.390924771	2363.14091
2032	10	12000.88718	0.352184479	4226.526197

### IRR

**Q. WHAT IS IRR (INTERNAL RATE OF RETURN)?**

→ The Internal Rate of Return (IRR) is the discount rate that makes the net present value (NPV) of a project zero. In other words, it is the expected compound annual rate of return that will be earned on a project or investment. In the example below, an initial investment of \$50 has a 22% IRR. That is equal to earning a 22% compound annual growth rate.

**IRR OF THE PROJECT IS 96.630%, WE CALCULATED IT BY PUTTING NPV=0 WITH THE HELP OF GOAL SEEK FUNCTION.**

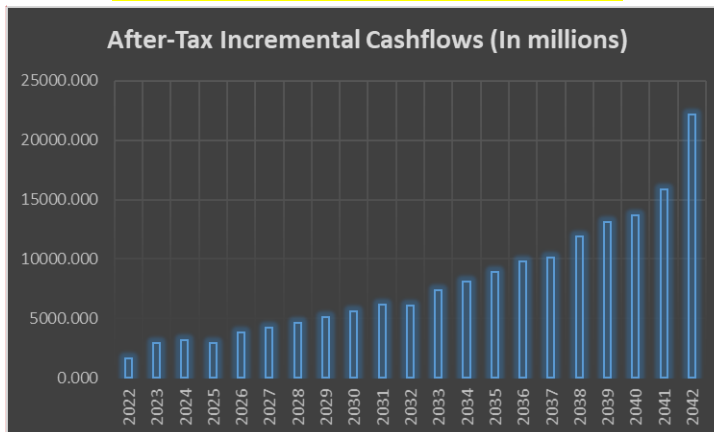
**Q.3**

**ASSUMPTIONS-**

1. PROJECT WILL BE IN ACTION FROM 2022-2042.
2. INFALTION-1.5%
3. REST ALL PARAMETERS WILL REMAIN SAME.

<b>Growth Rate of US &amp; Russian participants without Alternium</b>	5%
<b>Growth Rate of US &amp; Russian participants with Alternium</b>	5%
<b>No. of US &amp; Russia participants in 2020 (In millions)</b>	45.00
<b>No. of US &amp; Russia participants in 2022 (In millions)</b>	49.61
<b>Growth Rate of International participants without Alternium</b>	8%
<b>Growth Rate of International participants with Alternium</b>	10%
<b>No. of International participants in 2020 (In millions)</b>	30.00
<b>No. of International participants in 2022 (In millions)</b>	34.99

#### AFTER TAX INCREMENTAL CASHFLOW'S



**Commented [d1]:** We can see that the project is generating massive cashflows as an when years are passing on, so UNIVERSAL SWAP 's future is full of growth and potential.

## NPV AND IRR OF THE PROJECT

NPV = \$45048.615(MILLIONS)

IRR=98.753%

As the project is further increased by 10 years we can see that there is an increase of 22310.31(Million) in NPV which is a good indicator and IRR also increases so overall "UNIVERSAL SWAP" is a highly prosperous company (Liquidity pool)