**Name: Mrinmayee Hole**

**Roll. No: 27**

**Div- A**

**Subject: FM and Excel Project**

**Summary**

**Universal Swap** is cryptocurrency exchange which uses a decentralized network protocol. It is estimated to be the largest decentralized exchange and the fourth-largest cryptocurrency exchange overall by daily trading volume.

As it turns out, it has proved to be a highly profitable business. It has increased its M-cap from $650 mn in 2019 to around $22 billon in 2022. It cites easy facilitation, transparency, its unique algorithm and the huge spike of interest in the cryptocurrencies, leading to huge volumes as its

reasons of success.

In order to further grow, Universal Swap has planned to create a new Liquidity pool “The Alternium” with new crypto coins to offer those users will be interested in. Access to the pool will be offered to both – existing users of its current platform and the new class of participants i.e., users who will only register themselves on the Alternium. Since it is a new business, it plans to offer a smaller fee for the transactions on this platform.

* **Stage 1** : Gathered data i.e.: Fees, US/ Russian participants, international participants and inflation rate.
* **Stage 2** : Depreciation Calculated :
* Depreciation = salvage value - number of years
* **Stage 3** : Total Fees received calculated:
* Total Fees received = US/ Russian participants + international participants \* Fees per participant
* **Stage 4**: Accounts Receivable calculated:
* Accounts receivable= Total Fees received by US/ Russian participants and international participants \* 5%
* **Stage 5**: Inventory calculated:
* Inventory = Total Fees received by US/ Russian participants and international participants \* 10%
* **Stage 6**: Accounts Payable calculated:
* Accounts Payable = Total Fees received by US/ Russian participants and international participants \* 6%
* **Stage 7** : Working Capital Calculated :
* Working Capital = (Accounts Receivable + Inventory) - Accounts Payable
* **Stage 8** : Revenue calculated :
* Revenue = Working capital + Total cost of participants
* **Stage 9** : Expense Calculated:
* Expense = Introductory cost+ R&D Cost + Cost of serving for US and Russia+ Cost of serving for International+ Servicing facility & Costs + G&A expenses+ Advertising expenses+ Total Cost of serving all the participants
* **Stage 10**: “Question 1” - After Tax Incremental Cashflow calculated as:
* After Tax Incremental Cash-flow = Less tax+ Add on Tax deprication
* **Stage 11:** “Question 2”- NPV and IRR calculated as:
* NPV = Net cashflow / (1+ Discount rate) ^ 10 years
* IRR = [Cashflow/ (1+ Discount rate) ^ 10 years]- Initial cashflow
* **Stage 12:** “Question 3” – Calculated same as “Question 2”