Lab Session: Tokenomics Analysis

BSc Blockchain, Crypto Economy & NFTs

Course Instructor

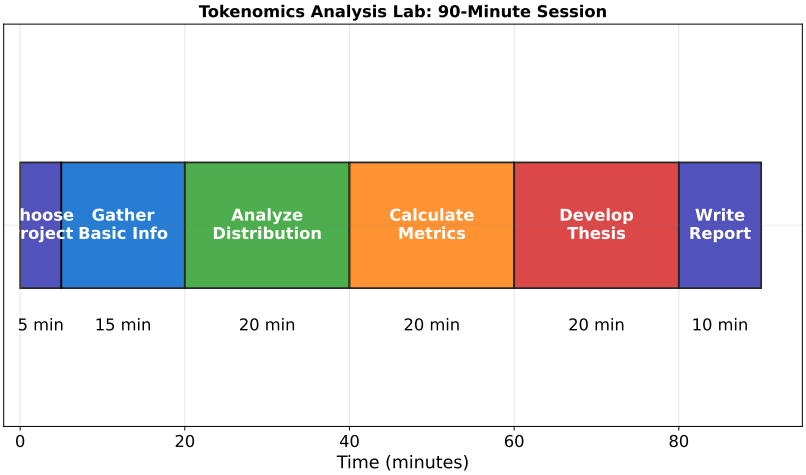
Module D: Tokenomics

Learning Objectives

By the end of this lab session, you will be able to:

- Select and research a real cryptocurrency project
- Calculate key valuation metrics (NVT, FDV, ratios)
- Analyze token distribution and vesting schedules
- Assess token classification (utility vs. security)
- Develop a structured investment thesis

Lab Session Structure



Complete analysis requires both quantitative and qualitative assessment

Step 1: Choose a Project

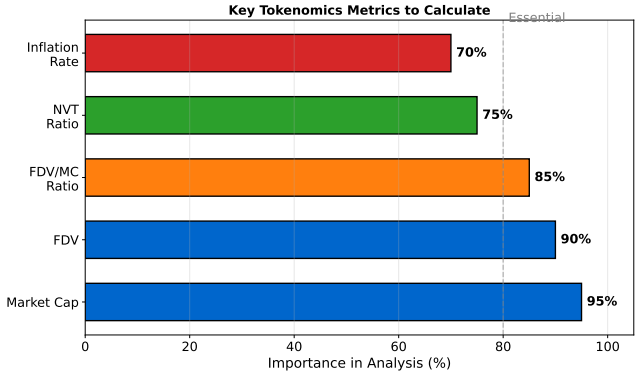
Suggested Categories:

- **DeFi:** UNI, AAVE, CRV, MKR
- **Layer 1:** SOL, AVAX, DOT
- **Infrastructure:** LINK, GRT, FIL

Selection Criteria:

- Publicly available tokenomics documentation
- Active trading on major exchanges
- Sufficient on-chain data available

Key Metrics to Calculate



Market cap and FDV are essential; all metrics provide context

Step 2: Gather Basic Information

Project Overview:

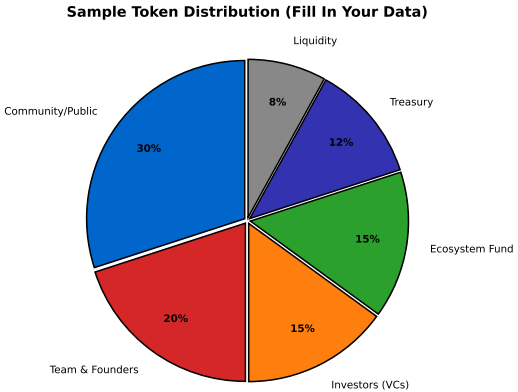
- Problem solved and core technology
- Launch date and development status
- Token ticker and blockchain network

Current Market Data:

- Current price and market cap
- Circulating supply vs. total supply
- 24h volume and volatility

Sources: CoinGecko, CoinMarketCap, project website

Distribution Analysis Template



Step 3: Analyze Distribution

Key Categories to Research:

- Team and Founders allocation
- Investor (VC) allocation
- Community and public sale
- Ecosystem and treasury funds

Critical Questions:

- What % do insiders hold?
- Are vesting schedules transparent?
- Upcoming unlock events?

Step 4: Calculate Metrics

Fully Diluted Valuation (FDV):

$$\text{FDV} = \text{Current Price} \times \text{Max Total Supply}$$

Dilution Risk Ratio:

$$\text{Dilution Risk} = \frac{\text{FDV}}{\text{Market Cap}}$$

- Ratio ¿ 2: High dilution risk
- Ratio 1-2: Moderate dilution
- Ratio $\approx$ 1: Low dilution

NVT Ratio:

$$\text{NVT} = \frac{\text{Market Cap}}{\text{Daily Tx Volume (USD)}}$$

Step 5: Apply Howey Test

Four Prongs:

1. **Investment of Money?** Did investors pay?
2. **Common Enterprise?** Pooled returns?
3. **Expectation of Profits?** Marketed as investment?
4. **Efforts of Others?** Team drives value?

Classification:

- All four = Likely Security
- Fails "efforts of others" = Likely Utility Token

Step 6: Develop Investment Thesis

Structure Your Analysis:

1. **Summary:** 2-3 sentences on token purpose
2. **Strengths:** Bullish tokenomics factors
3. **Weaknesses:** Red flags and risks
4. **Verdict:** Buy / Hold / Avoid with justification

Note: Educational analysis, not financial advice

Lab Deliverables

Submit:

1. **Tokenomics Report (2-3 pages):**
   - Project overview and market data
   - Distribution and vesting analysis
   - Valuation metrics calculated
   - Investment thesis with verdict
2. **Supporting Data:**
   - Screenshots of data sources
   - Metric calculations shown
   - Comparison to 2-3 peers

Key Takeaways

- Tokenomics analysis combines quantitative metrics and qualitative assessment
- Distribution and vesting reveal insider alignment and dilution risk
- FDV/MC ratio is critical for understanding future dilution
- Howey Test helps classify utility vs. security tokens
- Always compare to similar projects for context