



School: Campus:
Academic Year: Subject Name: Subject Code:
Semester: Program: Branch: Specialization:
Date:

Applied and Action Learning

(Learning by Doing and Discovery)

Name of the Experiment :Tokenomics 101 – Analyzing Crypto Economics

* Coding Phase: Pseudo Code / Flow Chart / Algorithm

Introduction:

- **1. Initialize Token Supply:**
Begin by defining the **total token supply** — for example, **1,000,000 tokens**. This represents the maximum number of tokens that will ever exist and forms the foundation of the project's **monetary policy**.
- **2. Token Allocation:**
Distribute the total supply among different stakeholders to ensure fair participation and long-term sustainability.
Example distribution:
 - **Team:** 20% (for development and operations)
 - **Investors:** 30% (for early backers and seed funding)
 - **Public Sale:** 40% (for community access and liquidity)
 - **Reserve/Treasury:** 10% (for future development, partnerships, or ecosystem growth)
- **3. Simulate Token Circulation:**
Model how tokens **flow into the market** via mechanisms such as **staking rewards, liquidity mining, governance incentives, and trading**. This helps analyze **market dynamics** and predict how supply and demand will evolve over time.
- **4. Apply Token Burning (Optional):**
Introduce a **deflationary mechanism** by permanently removing a portion of tokens from circulation through **burning events**. This helps control inflation, maintain scarcity, and potentially **increase token value** over time.
- **5. Calculate Market Value:**
Evaluate the **token's price** using the formula:
Token Price = Market Capitalization ÷ Circulating Supply
This provides insight into the token's real-time valuation and helps track how market conditions impact its performance.
- **6. Display Final Metrics:**
Present a comprehensive overview of the **token's key metrics**, including:
 - **Total Supply**
 - **Circulating Supply**
 - **Burned Tokens**
 - **Market Cap and Price Trends**

These metrics are crucial for **investor analysis, ecosystem health tracking**, and maintaining transparency within the crypto economy.

* Softwares used

1. Chrome Web Browser
 2. Tokenomics 101(Coinbase)
- <https://www.coinbase.com/en-in/learn/wallet/tokenomics-101>

* Implementation Phase: Final Output (no error)

Researching Tokenomics – Key Points:

1. Tokenomic details can be found in a project's **whitepaper** or on trusted sites like **Coinbase**, **CoinMarketCap**, **CoinGecko**, and **Messari**.
2. On **Coinbase**, visit the **Prices** section (<https://www.coinbase.com/price>) to explore different cryptocurrencies.
3. After selecting a cryptocurrency, you can view its **market capitalization**, **trading volume**, and **circulating supply** below the price chart.
4. The example in the image shows **Bitcoin** priced at **\$29,854.47**, with a **market cap of \$570.1B**, **24-hour volume of \$34.2B**, and **19.0M BTC** circulating (91% of total supply).
5. These insights help users understand a crypto asset's **market performance**, **liquidity**, and **overall economic strength**.



- **Design and Distribution Strategy:**

Establish a clear **token structure and allocation plan** through pilot token models and phased releases, ensuring fair distribution and measurable ROI for early stakeholders.

- **Scalability and Efficiency Enhancements:**

Improve **transaction speed and network performance** by integrating **Layer 2 solutions**, optimized consensus algorithms, and hybrid token mechanisms that balance scalability with stability.

- **Regulatory Alignment and Governance:**

Ensure **compliance and transparency** by incorporating legal best practices, engaging with regulators, and maintaining adaptable token frameworks aligned with evolving crypto regulations.

- **Flexibility and Ecosystem Adaptation:**

Build a **modular, future-ready token economy** capable of adapting to **market trends, governance updates, and technological advancements** within the broader crypto ecosystem.

*** Observations**

1. Effective tokenomics design requires **balanced distribution and sustainable utility** to ensure long-term ecosystem growth.
2. **Scalability and regulatory compliance** are crucial for maintaining stability and investor trust.
3. A **flexible and adaptive token model** helps projects evolve with changing market and technological trends.

ASSESSMENT

Rubrics	Full Mark	Marks Obtained	Remarks
Concept	10		
Planning and Execution/ Practical Simulation/ Programming	10		
Result and Interpretation	10		
Record of Applied and Action Learning	10		
Viva	10		
Total	50		

Signature of the Student:

Name :

Regn. No. :

Signature of the Faculty:

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