



Can we rely on Cryptocurrencies like Bitcoin?

## Description

Yes :-

- Future belongs to technology. Cryptocurrencies make peer-to-peer financial transactions a lot easier. This currency can be sent from any part of the world to any part of the world. Hence there will be no struggle of exchanging the currencies like Dollar to Rupee etc.
- While travelling the world, there will no hurdle of exchanging our currencies with local currencies.
- Banks do charge us a part of the money we send or receive. With cryptocurrency, middlemen like banks will be eliminated, hence there will be no loss to us in financial transactions.
- These transactions can be verified. Each coin is assigned a unique number.
- One of the top economies of the world, Japan officially recognizes Bitcoin as currency.

No :-

- There will be no sense of security. We cannot sleep peacefully because the cryptocurrency's value keeps on fluctuating. Standard currencies fluctuate too, but not as highly as cryptocurrencies.
- If value of standard currency falls, we can still afford to live in our country, because the fall of currency value impacts all fields. For example, if the prices of groceries rise, so does our salaries. But if the value of cryptocurrencies like bitcoin falls, we will lose our hard earned money.
- Bitcoin, the earliest cryptocurrency will generate only 21 million coins. That means when the demand for the bitcoin is more, the value of the bitcoin will increase. There is a downside to this, the value of the currency completely depends on the demand it has, that means if the major investors withdrew their money, the value of this currency will crash.
- There is no governing body. If the cryptocurrency is hacked, no one will take the responsibility to repay our money.
- Many cryptocurrencies came to the market after the invention of bitcoins. New cryptocurrency may decrease the demand for earlier cryptocurrencies. Investing in these



kind of currencies will be risky.

- Cashless economy made financial transactions much easier. Hence, there is no need of cryptocurrencies.
- Ransomware hackers demanded their payment through bitcoins, because it protects identity of the person in financial transactions.

### What is cryptocurrency :-

- Cryptocurrency is a digital currency that operates independently of government. This uses cryptography to regulate the generation of the units of currency and to verify the transfer of funds.
- Bitcoin is the earliest cryptocurrency.
- There are more than 900 cryptocurrencies available over the internet as of July 2017. Bitcoin and Ethereum have the most demand.

### Conclusion :-

It is highly unlikely that the demand for cryptocurrency will beat the demand for standard currency, because of the high risk involved. But we can take the best thing in this innovation that every coin has unique code and all the transactions of every coin will be recorded. This is a wonderful concept to eliminate money laundering in the economy.

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**Afterwords** :- Do you think we can rely on cryptocurrencies? Express your thoughts in the comment section below.

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