

An Empirical Examine about the Future of Cryptocurrencies

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Abstract

Cryptocurrency is a virtual forex wherein transactions are proven and information maintained by way of a decentralized gadget using cryptography, instead of by way of a centralized authority. It is a digital cash which takes the form of tokens or cash and secured by means of cryptography, it isn't feasible to counterfeit or double - spend. The purpose of the existing study was to examine the nature, sorts and usefulness of Cryptocurrencies and to examine about the awareness of Cryptocurrency among the various buyers. The research has been undertaken to examine the views of the respondents on their know-how on Cryptocurrency and also about the pros and cons, demanding situations of Cryptocurrency. Cryptocurrency is in a completely unique role as a forerunner in a likely trans-formative technology to lengthy status financial structures with the aid of its very nature, it could fill gaps in contemporary monetary technology and be capable to help conventional banking problems with the aid of being a peer-to-peer gadget.

Keywords: *Cryptocurrency, digital money, pros, cons, challenges.*

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Introduction

In 1983, the American developed a cryptographic gadget referred to as e cash. Twelve years later, they evolved another machine, Digi cash, that used cryptography to make monetary transactions personal. but, the primary time the concept or term “Cryptocurrency” was coined in 1998. but, in 2009, Satoshi Nakamoto became the primary person who created the primary cryptocurrency, Bitcoin. He created it to pave a brand new way of fee that would be used the world over, decentralized and while not having any monetary institution in the back of it. This study focuses extra about “Cryptocurrency”.

Objectives of the Study

- To analyze and study about Cryptocurrency.
- To investigate the major pros and cons and the various challenges of Cryptocurrency.
- To examine the awareness of Cryptocurrency among the investors and also about factors that motivates the investors to invest in the Cryptocurrency in future.

Cryptocurrency

A crypto digital forex may be used to shop for items and offerings, however makes use of an online ledger with robust cryptography to at ease online transactions. Most of the speculators suggests better hobby in those unregulated currencies which will alternate for profit, with using costs skyward. Cryptocurrency change with someone online via the smartphone or computer, with out the usage of an middleman like a bank.

Types of Cryptocurrency



- Bitcoin
- Bitcoin cash
- Dogecoin
- Lite coin
- Ethereum
- Ripple
- Stellar
- NEO
- Cardano
- IOTA
- Tether
- Tron
- Binance coin
- XRP
- Internet Computer
- USD Coin
- Polkadot

Pros of Cryptocurrency

- Cryptocurrencies makes it simpler to switch price range directly between two events, without the want for a trusted third parties like a bank or credit score card business enterprise.
- Cryptocurrencies transfers are secured with the aid of using public keys and personal keys and extraordinary styles of incentive structures, like proof or paintings or proof of Stake.
- “Wallet” or account address became used in present day Cryptocurrency systems, which has a public key, even as the personal key's acknowledged simplest to the proprietor and is used to sign transactions.
- Minimum Processing fees are charged for completing the Fund transfers and allowing users to avoid the steep prices charged by using banks and economic institution for twine transfers.

With none outside parties knowledge the transactions can be made and are absolutely secure from hackers.

- Cryptocurrency transactions are completely cell, in order that the person can advantage get right of entry to his account from any location round the sector, with the assist of a web connection. instead of physically going to a bank to access their account, the consumer can fast gain access to their assets thru the net and is still relaxed and safe.
- Cryptocurrency transactions provide its customers whole freedom and lets in them to finish their transactions in entire discretion.
- Crypto change systems work all at some stage in the day and as a result the investors can make investments and withdraw cash on any day of the week at any time of the day.
- The traders can also have the option to set a pre-decided restrict for getting and selling such currency.

Cons of Cryptocurrency

- Like paper cash Crypto will not be to be had in bodily form and it isn't always issued with the aid of a government. Its barriers are-because of on line transactions these currencies makes them well acceptable for a bunch of illegal sports, which include cash laundering and tax evasion.
- Cryptocurrency advocates frequently particularly value their anonymity, mentioning benefits of privateness like safety for whistle blowers or activists dwelling underneath repressive governments.
- Extra privacy-oriented coins do exist such as dash, Z coins, but those cryptocurrencies are a ways extra tough to trace.
- Any government would not guide for this type of Crypto foreign money transactions nor follows any nations legal guidelines.
- Due to the fact Crypto currencies are much less in all likelihood to have an increase in fee or a call for in the intervening time so it's miles less susceptible by using the hackers.
- Cryptocurrencies can't be refunded. A transaction can't be reverted or stopped mid-manner. If the wallet is misplaced, it's far misplaced forever and can't be recovered.
- Crypto industry is new to our use and there's lack of infrastructure too.

- The change structures also face the issues like inability to execute orders, server crashes and so on. as a result the investors must privy to all these things earlier than put money into such currencies.

Challenges or Risks Faced by Cryptocurrency

- They are risky
- They may be unregulated
- They are liable to error and hacking
- They may be excessive danger speculative merchandise
- They can be suffering from gaping
- Cost of Crypto may be extra than with different asset classes
- Pricing variations

Research Methodology

Sample Size and Sampling Techniques

A pattern length of around one hundred fifty respondents across Chennai and Pondicherry were selected for the have a look at. records have been gathered from the administration of questionnaire and behavior of interviews. Those questionnaires were accumulated randomly from buyers which include executives, better officers, consumers and personnel of numerous corporations to discover the awareness of Cryptocurrency and their perspectives about the future of Cryptocurrency.

The observe used the Likert Scale for questionnaire from 1 to 5 representing strongly disagree to strongly agree. Simple percentage and Correlation evaluation have been computed and interpreted inside the examine to analyze approximately the awareness of Cryptocurrency the various traders and also approximately factors that motivates the traders to invest in the Cryptocurrency in destiny.

Analysis and Interpretation

This segment provides the consequences of the records accumulated thru a based questionnaire.

Table 1

Age Group of Respondents

Age	Number	Percent
Less than 30 years	27	18
31- 35 years	35	23
36-40 years	56	37
More than 40 years	32	21
Total	150	100

Source: Computed data

Inference

From the above table it is clear that 37% of respondents are in the age group of 36 to 40 years, 23% are in the age group of 31 to 35 years, and 21% are above 40 years, 18% are in the age group of less than 30years. From this, it is evident that a majority of the respondents are from the age group between 36 to 40 years and hence they belong to middle age group.

Table 2

Income Level of Respondents

Level of Income (Rs.)	Number	Percent
10000 - 15000	2	1
15000 - 30000	3	2
30000 – 50000	15	10
50000 – 100000	50	33
100000 and above	80	54
Total	150	100%

Source: Computed data

Inference

From the above table, it is clearly analysed that out of 150 respondents, 54% belong to the income group of 1 lakh and above, 50% are from the income level between Rs. 50000 to Rs. 100000, 10% are from the income level between Rs. 30000 to Rs. 50000 and only meagre

percentage are from Rs. 10000 to Rs.30000. It is evident that a majority of the respondents who are making investment are from the income level of Rs.50000 and above.

Table 3

Awareness about the Cryptocurrency

Particulars	Number of Respondents	Percent
Strongly Agree	64	43
Agree	72	48
Neutral	2	1
Disagree	4	3
Strongly Disagree	8	5
Total	150	100

Source: Computed data

Inference

From the above table it is ascertained that out of 150 respondents, 43% and 48% of the respondent have awareness about the cryptocurrency, the remaining 9% of the respondent doesn't have the idea about cryptocurrency. From the above analysis it is vivid that more investors are aware about the cryptocurrencies.

Table 4

Correlation between Factors that Motivates the Investors to Invest Cryptocurrency in Future

Correlation		Motivation	Government	Working Organization	Individual	Total Mean
Profitable	Pearson Correlation	1	.373**	.393**	.486**	.765**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
Tax evasion	Pearson Correlation	.373**	1	.431**	.353**	.719**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	150	150	150	150	150
Security and no extra commission	Pearson Correlation	.393**	.431**	1	.517**	.758**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	150	150	150	150	150
Trading volume and liquidity is high	Pearson Correlation	.486**	.353**	.517**	1	.773**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
Total Mean	Pearson Correlation	.765**	.719**	.758**	.773**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	150	150	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

Inference

From the above table, it is evident that the main reason which motivates the investors to make investment in the cryptocurrency in future is because the trading volume and the liquidity of cryptocurrencies are high for an individual and for the organization as well which shows the highest Mean value of 0.773. The another reason to make investment in the cryptocurrency in future is due to the following factors: Profitable and Security and no extra commission which is identified with the Mean value of 0.765 and 0.758. Tax evasion is also one of the factor to make investment in future in cryptocurrency, which shows the very little lowest difference in the Mean value of 0.719 while compared to others. From this, it is concluded that a majority of the respondent's main motivation to invest in cryptocurrency in future is because of the high trading volume and the liquidity.

Tips to Trade Crypto without Losing Money

1. Secure Your Phone.
2. Secure Your Computer.
3. Set Up a New Email Account.
4. Buy cryptocurrency(e.g.) Bitcoin from Reputable Sources.
5. Don't Leave the Bitcoin on an Exchange.
6. Choose the Wallet Wisely.
7. Bookmark Important Websites.
8. Keep the Seed Phrase Private.

Conclusion

Cryptocurrencies isn't always only a word; it's miles a trending way of funding. First, it fell notably however then the digital currency reached an remarkable height. Bitcoin is the face of cryptocurrency. Following Bitcoin different cryptocurrencies like Ethereum, Dogecoin, Binance Coin and many others also are on the victory route. the most important cause for cryptocurrency's achievement is its high buying and selling extent and the liquidity and its resistance to government exploitation and control. Even from this have a look at also it's far obtrusive that the buyers get encouraged for the destiny investment in cryptocurrency is because of its excessive buying and selling quantity and liquidity.

The virtual assets, specifically crypto and bitcoin are liable to protection assault. Whilst this rumination cannot be discarded as fake, crypto begin-u.s. and fintech dealing with crypto are striving to conquer the drawbacks. In spite of a few risks in investing in cryptocurrency, nonetheless there are numerous different true motives to make funding in cryptocurrency because cryptocurrency is a massive world in which the buying and selling extent and liquidity is high that can offer a platform to diversify your investment portfolio and cryptos like bitcoin have won the reputation just like gold.

Indians aren't prohibited through regulation towards buying/promoting of cryptocurrencies. Cryptocurrencies aren't unlawful in India but there is no regulatory framework to control such currencies in our use. Banking ban changed into between July 2018 – March 2020 for getting and promoting of crytos due to which cryptocurrency exchanges have been no longer able to keep financial institution debts. but, the supreme courtroom of India quashed the banking ban in 2020 and it's been recommended some of the approaches to modify cryptocurrency marketplace too. The cryptocurrency enterprise is now witnessing a boom in India in 2021, this will be due to two vital cause, AI integration of Banking gadget and the pandemic. The speedy adoption of AI and AI integration in the banking infrastructures is yet any other turn within the tide for crypto buyers. Another most vital impetuses to the growth of cryptocurrency start-united states in India is the outbreak of the Covid- 19 pandemic. After the pandemic, touch-less transactions have emerge as a norm. Thanks to this norm, a majority of Indians are realizing the growing significance of crypto and bitcoin and is creating a shift toward the crypto culture. There are such a lot of crypto change systems through the buyers can purchase and sell cryptocurrencies. The very famous Indian platforms are WazirX, Zebpay, Coin switch Kuberand, CoinDCX move. A lot of these systems works all days 24*7. The traders have to finish the KYC process, switch money to the wallet after which make the purchase.

Sooner or later, it's miles concluded that cryptocurrencies funding in 2021 is taken into consideration as a worthwhile mode of investment and listed because the maximum valuable investment in which human beings can put money into 2021 as nicely. Cryptocurrency is in a completely unique role as a forerunner in a probable transformative era to lengthy status monetary structures. by means of its very nature, it may fill gaps in cutting-edge monetary technology and be able to help traditional banking problems by using being a peer-to-peer machine.

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