



HOPES AND THREATS OF CRYPTOCURRENCY (ESPECIALLY: BITCOINS) IN INDIA

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Abstract: Cryptocurrency also known as crypto is the type of currency that subsists effectively. Cryptocurrency is the future of financial around the world. Nowadays cryptocurrencies are facing some criticisms like the cancellation of digital fortune of currency by an online damage but this can be controlled through technological advances. Bitcoin will primarily be utilised as a store of value. This technology is going to have a veritably great future in India. Crypto currencies use dispersed method to track the deals as it doesn't have the central issuing or regulating authority. In India, one can trade in cryptocurrency such as Bitcoin, Ethereum, Cardano, Binance Coin etc. This study is descriptive, conducted for knowing the Opportunities available and threats being faced by cryptocurrency in India. This study is based on the secondary data. In order to attain the objectives, information is collected from various published sources like books, journals, magazines, etc. The study revealed that to trade in Cryptocurrency, one has to open a trading account in an appropriate crypto exchange followed by transferring of funds and buying of the cryptocurrencies. Cryptocurrency provides an innovative version of payment which helps in increasing the revenues of its drivers.

Keywords: Cryptocurrency, Cryptography, Bitcoin, Opportunities, threats.

1. INTRODUCTION:

Cryptocurrency also known as crypto is the type of currency which subsists effectively. In order to assure the deals, it uses cryptography. Crypto currencies use dispersed method to track the deals as it doesn't have the central issuing or regulating authority.

Cryptocurrency is an online way of payment that doesn't depend on any financial institution to corroborate the deals. It is an associate payment method that allows everyone to shoot & admit payments anywhere. Cryptocurrency payments subsist as automated transaction to an online database that describes the specific deals. When a person transfers Cryptocurrency finances, the deals are stored in a public tally. Digital Wallets are used for storing the Cryptocurrency.

As it uses encryption to corroborate the deals, it entered its name as Crypto currency. The focus of encryption is to give security to the users. The initial Cryptocurrency was developed in 2009 named as Bitcoin which rest the stylish known till the day. Since the bitcoin launch, further than 1,600 cryptocurrencies have entered into circulation. Cryptocurrencies are currently used for purchasing the goods & services in the real world. Cryptocurrencies present a noteworthy shift down from the customary operation and regulation of financial systems.

There are numbers of cryptocurrencies which are as follow:

Bitcoin: Bitcoin was the initial Cryptocurrency which was innovated in 2009 by Satoshi Nakamoto. Bitcoin is the most generally traded crypto till the date. Bitcoin is a dispersed currency which can be shifted through associate network of bitcoin. The deals of Bitcoin are stored in a public ledger which is known as a blockchain.

Ethereum: Ethereum was founded in 2015, refers to a block chain programme having its own crypto currency which is known as Ether (ETH) or Ethereum. After Bitcoin, Ethereum is the most famous crypto currency.

Litecoin: Litecoin is analogous to Bitcoin which proceed more snappily to expand new creations which involve briskly payments and procedures to authorize more deals.

Ripple: Ripple is a cryptocurrency that was innovated in 2012. Ripple is mainly used to trace the distinct types of deals. **Ethereum, Litecoin and Ripple** are the non-Bitcoin cryptocurrencies which are inclusively known as altcoins.



2. LITERATURE REVIEW:

Yermack (2017) examined that Block chains are an operation on which Bit coins work and are distributed ledgers which are translated to store data and information safely. Block chains has fascinated financial industry and banks into adoption to suit their ends. They offer stingy cost of conservation and importantly they cannot be addressed into as they are not on any central server. They are seen as a step forward in the conservation of records about stocks, patent and brand authorization. Since the record is time stamped, chances of sweats to cover frauds can be examined. The smart contract can be kept and executed on these Block chains without fear of interfering the same. Blockchain therefore offers a great chance to the corporates.

Howell (2016) discussed about the significance of the payment method that virtual currencies have brought about. The agreement is so fast that other forms of settlement of payments will take a backseat in times to come. The agreement period is also good for the stock markets, but the makers of virtual currencies have to prove their steadiness and compliance to the legislation in coming days to secure that they are united into the system.

John (2016) analysed that the world is Capitalist with having and has not. Numerous people down the ladder are not capable to enjoy the benefits of the extension of the economies. Most of these people are not indeed getting the banking facilities for lack of documentation or not capable to maintain a minimal balance as per the bank's specified limits. In this open world with so many differences, Cryptocurrencies have arrived as a support to these unbanked people. These people can open a wallet and transfer finance without the need for any documents to the needful destination by using Cryptocurrencies.

Vivian (2016) discussed about what are Cryptocurrencies? Are these Cryptocurrencies money? The author feels that they are a medium of exchange in financial terms. Because they are not financed by Government or Central banks they cannot be called money but money worth of trade. Cryptocurrencies are currencies which are translated and traded online and therefore can also be called the virtual currency.

Baur et. al. (2015) made an analytical study; Cryptocurrencies are examined as a hypothetically dismembering type of compensation system fastening on Bitcoin. For the purpose of the study, interview approach is adopted where 13 individualities has been taken. The general opinion of the investors about the Bitcoin is that it is having important eventualities as a medium of payment system and has confirmed across all interviewees. The investors revealed that their variety of styles that are espoused as the method of investment especially e-commerce.

3. OBJECTIVES OF THE STUDY

The study has following objectives:

- To know the Opportunities available and threats being faced by Cryptocurrency in India.

4. RESEARCH METHODOLOGY

This is descriptive research, conducted in order to know the Opportunities and threats being faced by cryptocurrency especially bitcoins in India. This study is based on the secondary data. In order to attain the objectives, information is collected from various published sources like books, journals, magazines, etc.

5. DISCUSSION:

Hopes of Cryptocurrency (Bitcoins) in India

A cryptocurrency is a form of virtual assets created to work as a medium of exchange like any other normal currencies; Cryptos are created by using cryptography to secure the deals, to corroborate the transfer of assets and to control the creation of fresh units.

Cryptocurrencies are digital keepsakes which are used in order to transfer the funds between individuals' computers, and their peer-to-peer structures enable amicable transfers.

- Cryptocurrency is the future of financial around the world. Nowadays cryptocurrencies are facing some criticisms like the digital fortune of currency can be cancelled by a computer crash or that a virtual vault may be robbed by a hacker but these problems may be overcome through technological advances in time.
- In Future, some banks could issue their own cryptocurrency which will lead to competition in the future. Decentralized and cold-blooded apps will take over the market in the upcoming time.
- Relative complexity compared to old currencies will probably discourage.
- Bitcoin will primarily be utilised as a store of value. This technology is going to have a veritably great future in India.
- Altcoins will be more used as payment gateway as it continuously increase its values, fashionability and the market cap, another thing to scrutinize is how other Fintech companies are getting incorporated with Indian Crypto Start-



ups and how they might have their own rise to renown in the region and be a bigger representation of the position that subsist there.

Threats of Cryptocurrency in India

There are various challenges faced by cryptocurrency in India.

- The future of cryptocurrency is very challenging in India. In 2019, RBI issued a statement in which it denies to take crypto currency as legal tender.
- Most of the banks in India currently do not provide their services for cryptocurrencies and can detritus to provide services to virtual-currency companies.
- Due to the advancement of technologies in cryptocurrencies, the entry cost for miners taking technical hardware and software is very high.
- Due to hacking or data loss, destruction of the physical media, Cryptocurrency can be permanently lost from original storage.
- The important feature that cryptocurrency lacks is protection of consumer against fraud.
- In case of loss of crypto currency, there is no conciliator which can limit the loss of consumers.
- An enormous quantum of energy goes into mining of cryptocurrency.
- There is a lack of regulatory legislation which can regulate digital currencies in India and also a lack of stoner and consumer protection.

6. CONCLUSION :

After nut shelling all the points of the study, it can be concluded that Cryptocurrency is the type of currency which subsists effectively. Cryptocurrency is an online way of payment that doesn't depend on any financial institution to corroborate the deals. It is an associate payment method that allows everyone to shoot & admit payments anywhere. In India, one can trade in cryptocurrency such as Bitcoin, Ethereum, Cardano, Binance Coin etc. This research study focuses on the Opportunities and Challenges being faced by cryptocurrency in India. This study revealed that despite the lack of support of government, this asset class has accumulated massive fashionability in recent times. To trade in Cryptocurrency, one has to open a trading account in an appropriate crypto exchange followed by transferring of funds and buying of any of the cryptocurrencies discussed above. One who tends to invest in the cryptocurrencies has to make an appropriate strategy before entering in such trading. Cryptocurrency provides an innovative version of payment which helps in increasing the revenues of its drivers. Although the cryptocurrency is facing various challenges like most of the banks in India currently do not provide their services for cryptocurrencies and can detritus to provide services to virtual-currency companies. But Cryptocurrency is the future of financial around the world. Nowadays cryptocurrencies are facing some criticisms like the cancellation of digital fortune of currency by an online damage but this can be controlled through technological advances. Bitcoin will primarily be utilised as a store of value. This technology is going to have a veritably great future in India. Altcoins will be more used as payment gateway as it continuously increase its values, fashionability and the market cap, another thing to scrutinize is how other Fintech companies are getting incorporated with Indian Crypto Start-ups and how they might have their own rise to renown in the region and be a bigger representation of the position that subsist there. It is also suggested that one should always start with small investments and study the market precisely rather of blindly following anybody's advice.

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