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CRYPTO CURRENCY AS A NEW INVESTMENT OPTION: A DESCRIPTIVE STUDY

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ABSTRACT

A cryptocurrency is a type of digital money which is based on the blockchain technology. This can be moved using digital address. To combat circumstances of inflation and deflation, the central bank and government of the nation manage currencies. These coins are used outside of the typical banking institutions. These are run on the market with no restrictions. Many nations around the world are now focusing on using digital currency and its transactions. This leads to more innovation in the field of new money, particularly in the field of cryptocurrency, one of the most cutting-edge, unclear, and unregulated currencies. I tried to learn about cryptography in this article, and its development and future prospectus in India. This paper shows the growth and future of the currency in India.

KEYWORDS: - Cryptocurrency , Digital money , Block chain technology , Digital address.

INTRODUCTION

A crypto is a form of digital or intangible currency that uses the encryption to protect it self from counterfeiting or duplicate spending. Blockchain technology is the foundation of many cryptocurrencies decentralised networks. The most known CRYPTOCURRENCY is bitcoin. It was founded & created by Satoshi Nakamoto, who went unknown, and launched it for public in 2008. Thousand type of crypto are available in the market for trading right now. Each cryptocurrency have a different features and uses.

OBJECTIVES

- To analyze how people view cryptocurrencies.
- To get knowledge how government policies and factor affect cryptocurrencies as a new kind of investment.
- To get knowledge about the fundamentals of Bitcoin and how it works in everyday commerce.
- To learn about Bitcoin trading and legality in India.

CRYPTOCURRENCY

ADVANTAGES OF CRYPTO CURRENCY

- Each and every transaction is carried out directly between the parties involved.
- By increasing the access & usage, these currencies can solve the issue of social trust.
- Transactions involving cryptocurrencies has no processing fee ,as they are made possible by using the Blockchain technology, a public network for cryptocurrencies.
- Cryptocurrency transactions are possible in short span of time in 10 minutes. This demonstrates the great transaction speed.

IMPACT OF CRYPTO CURRENCY

- The price of cryptocurrencies can fluctuate significantly over a short period of time, making trading them a little more challenging for marketers.
- Although a public ledger contains information about cryptocurrency users, it can be difficult to comply with customer identification or fraud protection.
- Because so many businesspeople don't know how to safeguard this novel form of digital currency, it has become a great target for hacking.

- Cryptocurrencies are viewed as harmful to the environment. Blockchain technology is used by this digital currency, which necessitates the employment of numerous computers worldwide to solve difficult equations in order to authenticate transactions. This process, known as data mining, can be quite profitable. The participant receives bitcoin as payment. This computation process uses a lot of electricity and has a detrimental influence on the environment.

FUTURE IN CRYPTOCURRENCY

By filling up the gaps in the current fintech landscape, the usage of Bitcoin and Ethereum could boost India's monetary policy. Distributed ledger technology, which is much more powerful and efficient than current protocols like SWIFT, enables faster, direct transactions by users and also helps maintain track of every digital transaction. Second, sovereigns can use Bitcoin as an asset to supplement their indigenous digital currencies. By enabling them to create procedures that certify financial actors are fully compliant with the regulators, it also lessens the strain on the regulators. We can prevent situations like mortgage fraud and other dishonest behaviour.

The pandemic and the Supreme Court's historic ruling both took place in March 2020, and both of these significant events have increased the usage of cryptocurrencies in India. Since then, WazirX which exclusively serves the Indian market, has experienced phenomenal development. Many Indians have experienced job losses, which has motivated them to engage in cryptocurrencies in order to generate side income as traders, technical analysts, or crypto influencers. Globally, a large number of institutional investors, including US hedge funds and industry behemoths like Square and PayPal, are investing in cryptocurrencies and are actively buying. Additionally, this has accelerated the uptake of Bitcoin.

RESEARCH METHODOLOGY & DATA COLLECTION

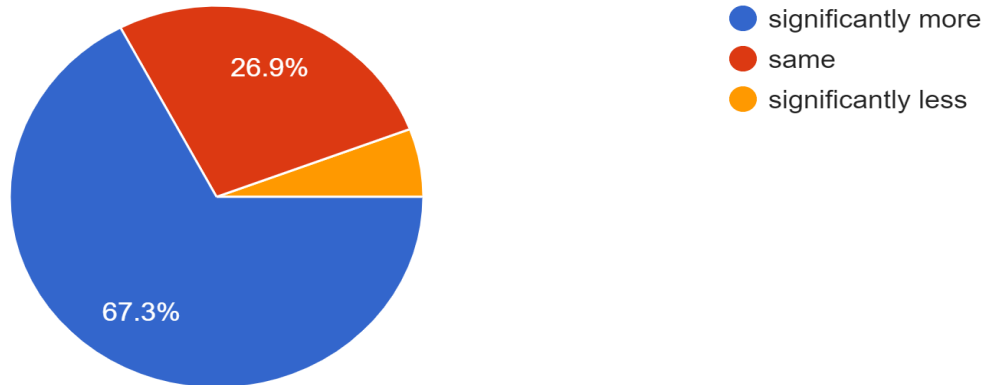
- Type of research: - Quantitative Research
- Sampling technique: - Random Sampling
- Sampling Frame: - Students, Businessman and Professionals
- Sampling size: - 104
- Data collection: - It is done by primary source (Google form)

HYPOTHESIS TESTING

H0: - Cryptocurrency will have more impact than stocks in future.

In 5 years , do you think cryptocurrency will be worth more or less than it is today ?

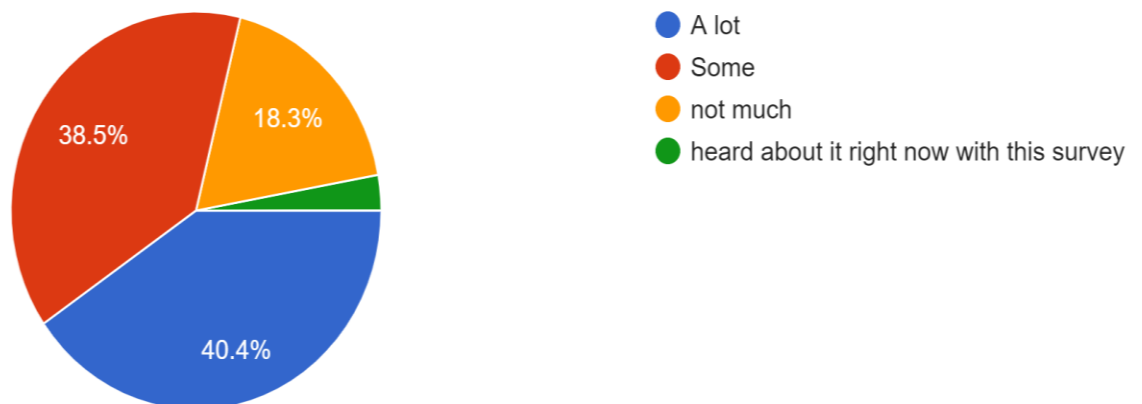
104 responses



SR. NO.	RESPONSE	PERCENTAGE /COUNT
1	SIGNIFICANTLY MORE	70
2	SAME	28
3	SIGNIFICANTLY LESS	6

how much have you heard or read about cryptocurrencies such as bitcoin or ethereum ?

104 responses

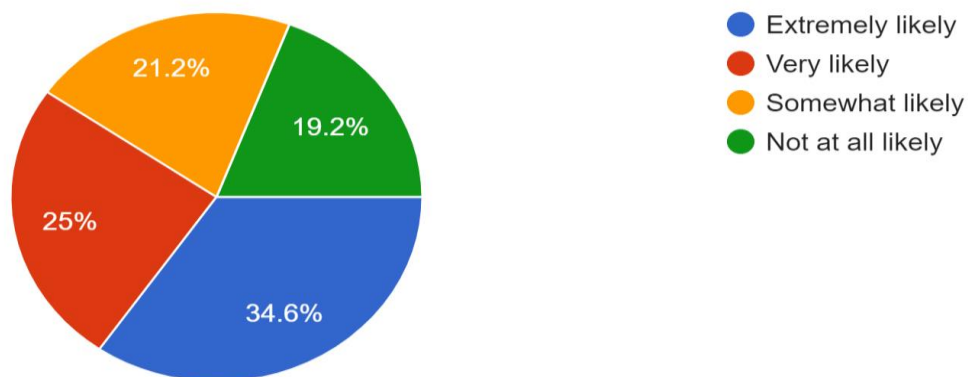


SR. NO.	RESPONSE	PERCENTAGE /COUNT
1	A LOT	42
2	SOME	40
3	NOT MUCH	19
4	HEARD BY THIS SURVEY	3

- Around 2 factors suggest that crypto is known to user and if proper regulations are made it can be used as an alternative.

How likely are you to invest in cryptocurrency this year ?

104 responses



SR NO	RESPONSE	PERCENTAGE /COUNT
1	EXTREMELY LIKELY	36
2	VERY LIKELY	26
3	SOMEWHAT LIKELY	22
4	NOT AT ALL LIKELY	20

Interpretation :- By observing the whole data above mentioned we can conclude that :-

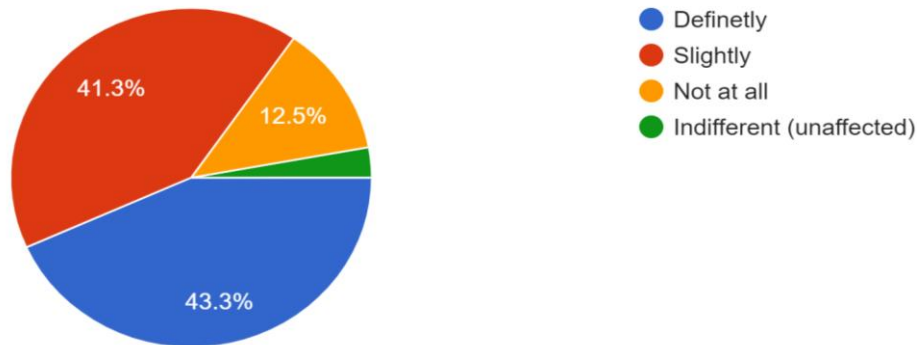
- The respondent are very aware about the currency.
- They are very likely to invest in cryptocurrency.
- Respondent think the value will be more than stocks.

Therefore, all these factor proves the hypothesis H0 is accepted.

H1: - Cryptocurrency usage will increase if policies and laws are made favourable.

Unlike other currencies, cryptocurrency require much less fees to operate . would this increase your interest in using cryptocurrency ?

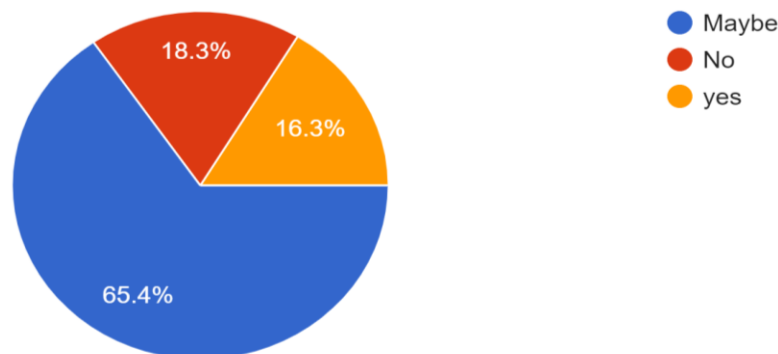
104 responses



SR NO	RESPONSE	PERCENTAGE /COUNT
1	DEFINETLY	45
2	SLIGHTLY	43
3	NOT AT ALL	13
4	INDIFFERNET	3

If cryptocurrency is government regulated but remained intangible. Would this increase your interest in using cryptocurrency ?

104 responses

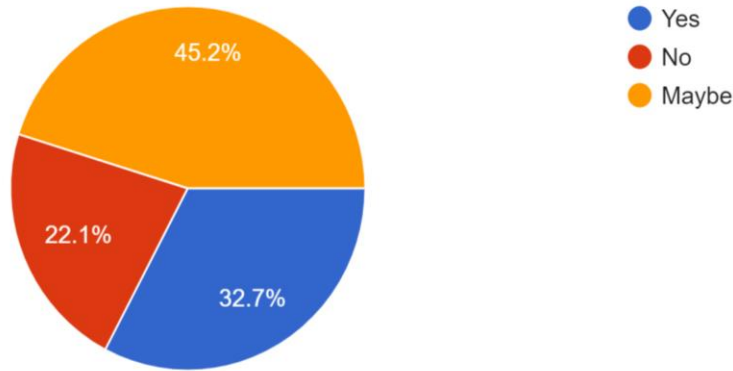


SR NO	RESPONSE	PERCENTAGE /COUNT
1	MAYBE	47
2	YES	34

3	NO	23
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If cryptocurrency providers created tangible coins (or notes) for its users with banks and ATMs readily available but remained non government regul...ld this increase your interest in cryptocurrency ?

104 responses



SR NO	RESPONSE	PERCENTAGE /COUNT
1	YES	34
2	MAYBE	47
3	NO	23

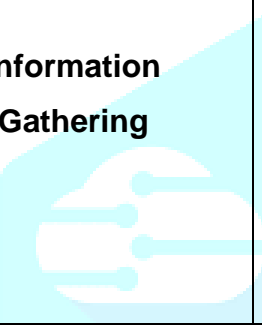
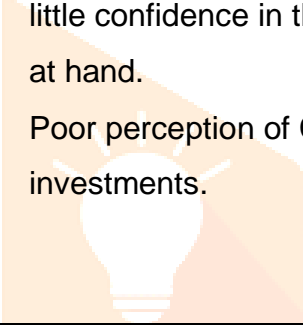

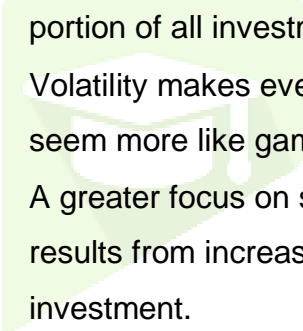
Interpretation :- By analysis of the data the following observation are made

- If operating fees is low the usage of cryptocurrency will increase.
- If government approves its usage and make it legal people are interested in using it.
- Even if it is tangible form people will accept it.

This all concludes that the cryptocurrency can be increased if policies are regulated by government and it is made legal and tangible.

ANALYSIS

The aforementioned issue is identified, and an analysis is then conducted on it.

Themes	Findings	Conclusion
<p>Information Gathering</p> 	<ul style="list-style-type: none"> Information is important yet scarce. little confidence in the data at hand. Poor perception of CC investments. 	<p>a distinct market that produces a distinct mentality. Investors value information for making decisions, yet often accept sources from less reliable sources. Due to investors' perception of CC investments as a gamble or lottery, there is also a broad lack of belief in them.</p>
<p>Investment Strategy</p> 	<ul style="list-style-type: none"> Ccs make up a small portion of all investments. Volatility makes everything seem more like gambling. A greater focus on strategy results from increased CC investment. 	<p>Since CC is frequently seen as a gamble and the invested funds are not immediately needed, the investors don't seem to have a clear investing strategy. The investment is more commonly viewed as a fun addition that gives portfolios some interest and could result in a significant return.</p>
<p>Cryptocurrency's future</p>	<ul style="list-style-type: none"> Positive outlook with little to no development Limited common knowledge 	<p>Investors are optimistic about the future of ccs, but for change to be made, there must be greater public engagement. Currently, there is no justification for the government to use the technology.</p>

CONCLUSION

People may invest in CCs for a variety of reasons, both good and bad. The most logical interpretation of the statistics, however, is that people elect not to continue investing in CCs after making their initial contributions mostly because of the government's lack of approval.

It is challenging for investors to profit as much as possible from CC investments because to high taxes and a lack of acceptance. There are numerous opportunities to make a sizable profit because the CC market is so volatile. However, it also lead to great loss in the long run time. Therefore, the same thing that discouraged consumers from buying CCs is also what attracts them to the CC market. Therefore, risk and possible profit are closely related to one another because they coexist, particularly in the CC market.

The hype is a factor that draws attention to the CC market next. It facilitates interactions between people about CCs while also allowing information to move swiftly. However, it's crucial to remember that social media posts frequently contain unverified information. As result, the excitement, especially on the online media platform , is probably going to lead people to romanticise CC investments.

Last but not least, curiosity appears to be a characteristic that strongly depends on personal preferences. All of the surveys, however, found this to be the case. We assume that those who invest in CCs are those who are eager to learn from their mistakes and have a drive to attempt new things. According to the research, it seems likely that investors in CCs are not opposed to government intervention or regulation, but they are strongly opposed to governments' hostility towards CCs.

Therefore, the evidence implies that investors want the government to adopt and recognise CCs rather than seeking to stop CC investments and development. The evidence also suggests that this would increase our daily use of CCs on a personal level. The pertinent facts indicate that CCs have a promising future. According to the data, CC adoption appears to be rising. Companies, governments, and the general public must accept, adopt, and comprehend CCs more than they now do.

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