



# A STUDY ON INVESTOR'S AWARENESS AND PERCEPTION OF CRYPTOCURRENCY in HYDERABAD.

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## **Abstract:**

This study aims to explore and analyze the level of awareness regarding Cryptocurrency, including its nature, benefits, risks, and adoption trends. Cryptocurrency has gained significant attention in recent years, revolutionizing traditional financial systems and introducing new possibilities for transactions. However, as the Cryptocurrency market continues to evolve rapidly, understanding consumer knowledge and perceptions becomes crucial for policymakers, businesses, and individuals. The research employs a quantitative data collection method. A structured survey will be conducted to gather quantitative information on consumer awareness levels, demographics, and usage patterns. The survey will cover various aspects such as familiarity with popular cryptocurrencies, knowledge of security practices, and perceptions of risks and benefits associated with cryptocurrency.

**Key words:** Cryptocurrency, Perception, Currency, Block chain.

## **INTRODUCTION TO CRYPTOCURRENCY:**

A cryptocurrency is a digital or virtual currency secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. Many cryptocurrencies are decentralized networks based on blockchain technology—a distributed ledger enforced by a disparate network of computers. A defining feature of cryptocurrencies is that they are generally not issued by any central authority, rendering them theoretically immune to government interference or manipulation and does not exist in physical form (like paper money).

Cryptocurrencies are digital or virtual currencies underpinned by cryptographic systems. They enable secure online payments without the use of third-party intermediaries. "Crypto" refers to the various encryption algorithms and cryptographic techniques that safeguard these entries, such as elliptical curve encryption, public-private key pairs, and hashing functions. Cryptocurrencies can be mined, purchased from cryptocurrency exchanges, or rewarded for work done on a blockchain. Not all e-commerce sites allow purchases using cryptocurrencies. In fact, cryptocurrencies, even popular ones like Bitcoin, are hardly used for retail transactions. However, cryptocurrency values have made them popular as trading and investing instruments. To a limited extent, they are also used for cross-border transfers.

Despite their name, cryptocurrencies are not considered to be currencies in the traditional sense, and while varying treatments have been applied to them, including classification as commodities, securities, and currencies, cryptocurrencies are generally viewed as a distinct asset class in practice

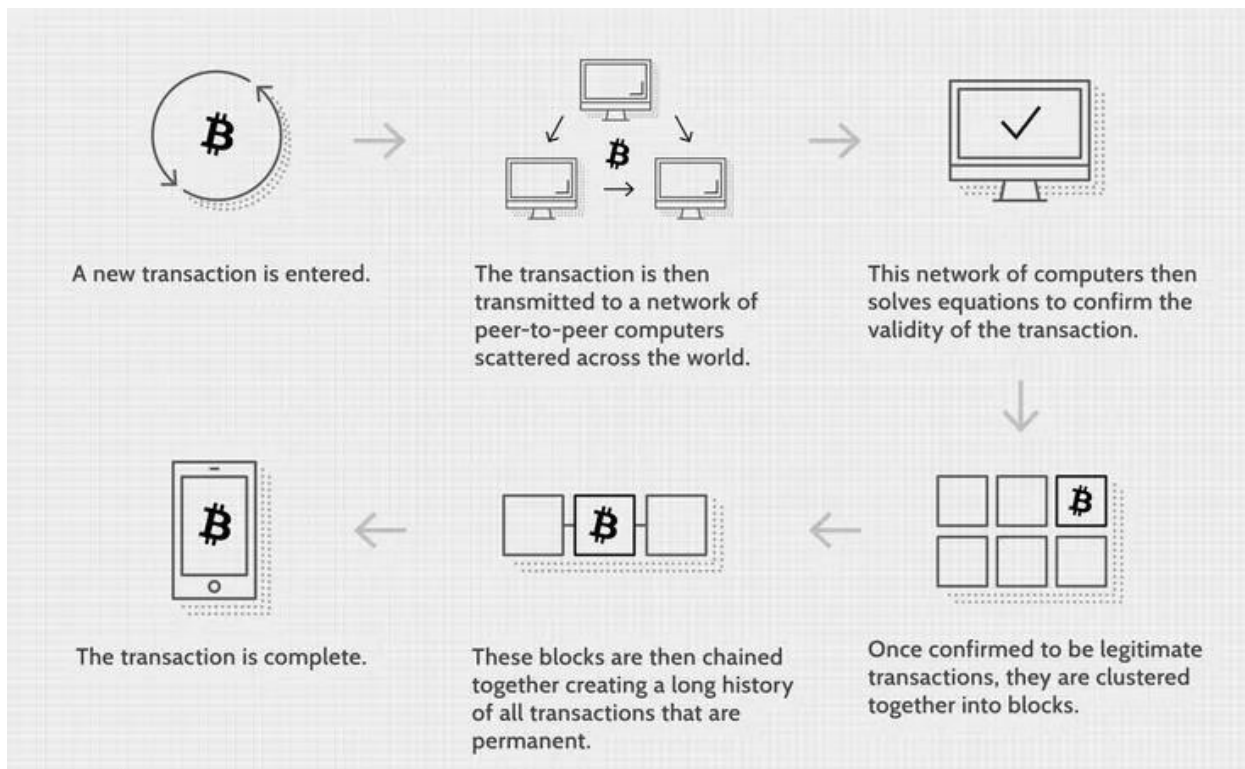
### **BLOCKCHAIN:**

A blockchain is a distributed database or ledger that is shared among the nodes of a computer network. As a database, a blockchain stores information electronically in digital format. Blockchains are best known for their crucial role in cryptocurrency systems, such as Bitcoin, for maintaining a secure and decentralized record of transactions. The innovation with a blockchain is that it guarantees the fidelity and security of a record of data and generates trust without the need for a trusted third party.

### **HOW DOES A BLOCKCHAIN WORK?**

The goal of blockchain is to allow digital information to be recorded and distributed, but not edited. In this way, a blockchain is the foundation for immutable ledgers, or records of transactions that cannot be altered, deleted, or destroyed. This is why blockchains are also known as a distributed ledger technology (DLT).

First proposed as a research project in 1991, the block chain concept predated its first widespread application in use: Bitcoin, in 2009. In the years since, the use of blockchains has exploded via the creation of various cryptocurrencies, decentralized finance (DeFi) applications, non-fungible tokens (NFTs), and smart contracts.

**TRANSACTION PROCESS:****OBJECTIVES OF THE STUDY:**

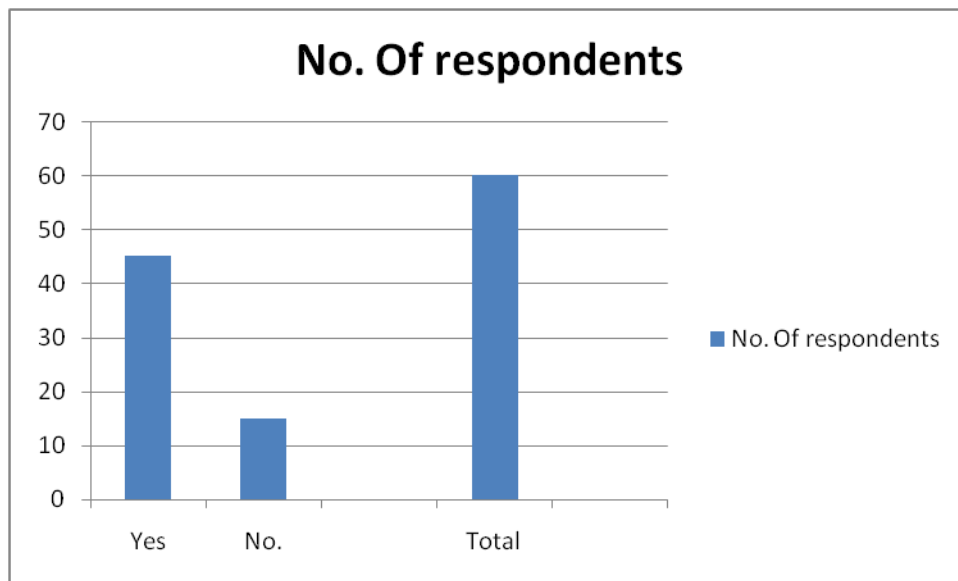
- To study about the investors awareness of cryptocurrency in India.
- To study about investor's perception about investing in cryptocurrency.

**SCOPE OF THE STUDY:**

Cryptocurrency is a digital currency which has not been perceived as legal means of transaction for day to day activities till now in majority of the countries in the world. In India too, it has not been taken positively by the Government or Regulatory Authority, as currently RBI has issued notice to ban any transaction related to Cryptocurrency through any bank in the country. So the study of its awareness and perception among people in Hyderabad will give some insight on how they have perceived its presence in our own country. So this study will give the general perception of Indian people. The samples under study were employed people in various public/private/educational institutions, Business community, unemployed categories and students in Hyderabad. As survey was done through Google Survey Form, so it was restricted to the people who have online connectivity.

**Analysis and interpretation:****1. Are you aware of cryptocurrency?**

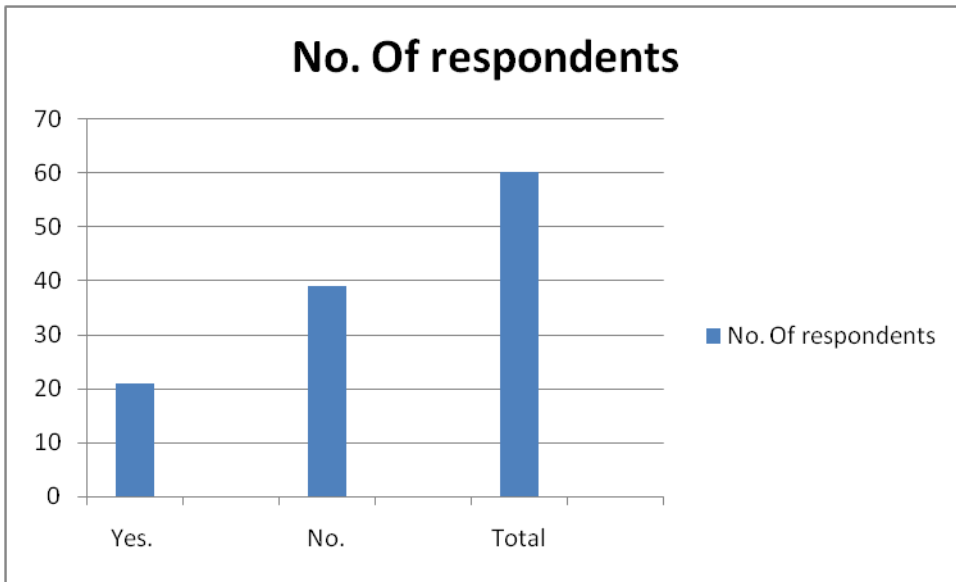
Particulars	No. Of respondents	% of respondents
Yes	45	75%
No.	15	25%
Total	60	100%



**Interpretation:** From the above table it is observed that 75% of respondents are aware of crypto currency and 25% of respondents are not aware of crypto currency

**2. Do you own any cryptocurrency?**

Particulars	No. Of respondents	Percentage of respondents
Yes.	21	35%
No.	39	65%
Total	60	100%

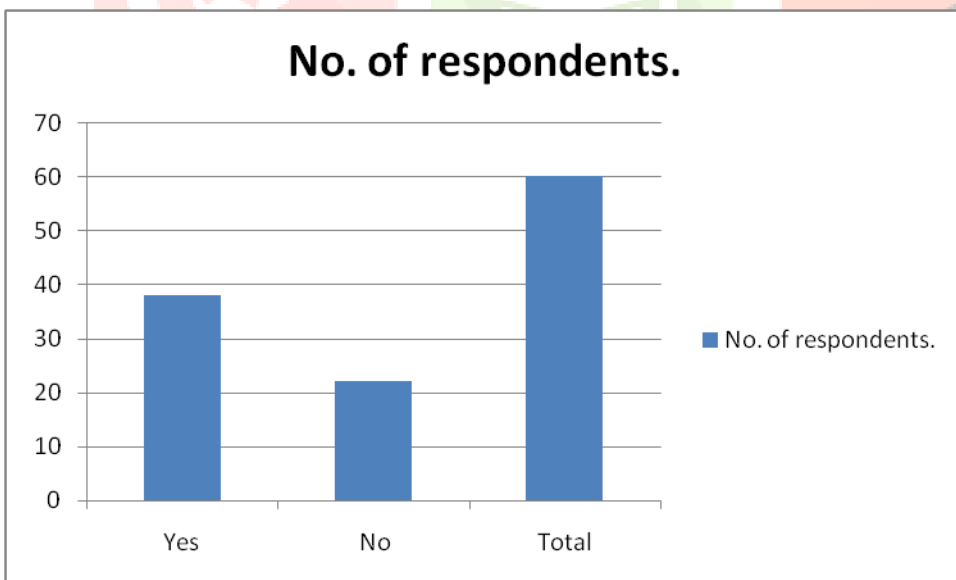


**Interpretation:**

35% of the respondents own a cryptocurrency whereas 65% of the respondents do not own a Cryptocurrency.

**3. Are you interested to buy cryptocurrency in near future?**

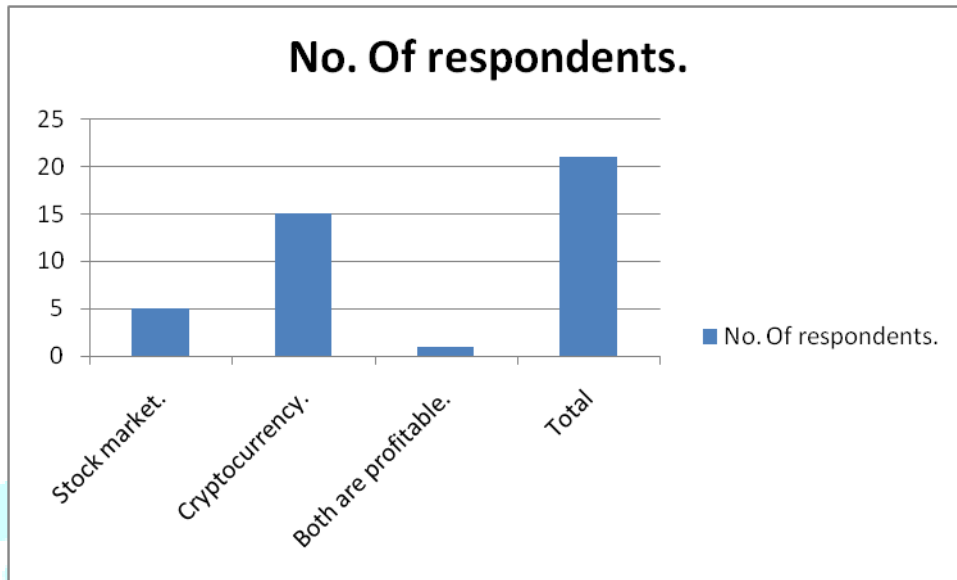
Particulars.	No. of respondents.	Percentage of respondents
Yes	38	63.3%
No	22	36.66%
Total	60	100%



**Interpretation:** From the above table it is observed that 8.3% of the respondents are extremely likely to invest in cryptocurrency. 16.7% of the respondents are very likely to invest in cryptocurrency. 51.7% of the respondents are somewhat likely to invest in cryptocurrency. 23.3% of the respondents are not likely to invest in cryptocurrency.

#### 4. Which is more profitable investing in stock market or cryptocurrency?

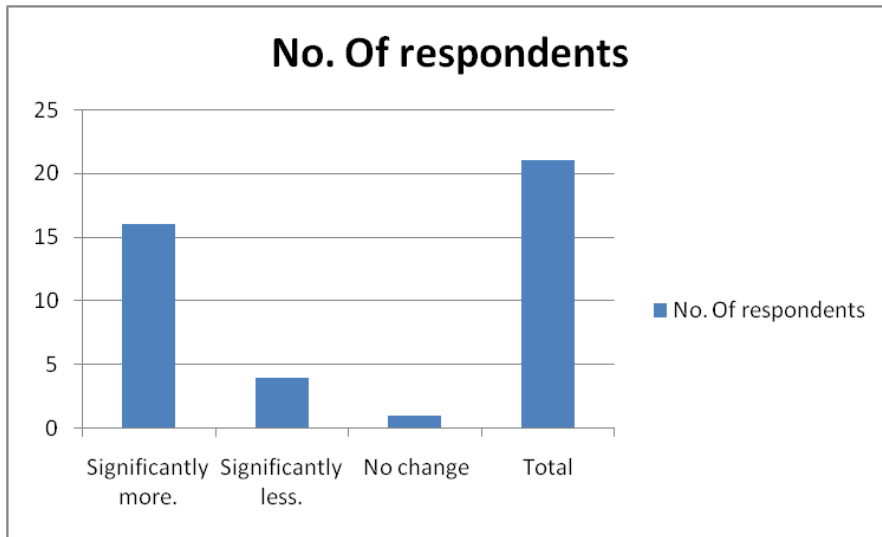
Particulars.	No. Of respondents.	Percentages.
Stock market.	5	23.8%
Cryptocurrency.	15	71.42%
Both are profitable.	1	4.76%
Total	21	100%



**Interpretation:** From the above table it is observed that 23.8% of respondents opined that investing in stock market is more profitable than investing in cryptocurrency and 71.42% of respondents felt that investment in cryptocurrency is profitable.

#### 5. In 5 years time do you think cryptocurrency will be worth more or less than today?

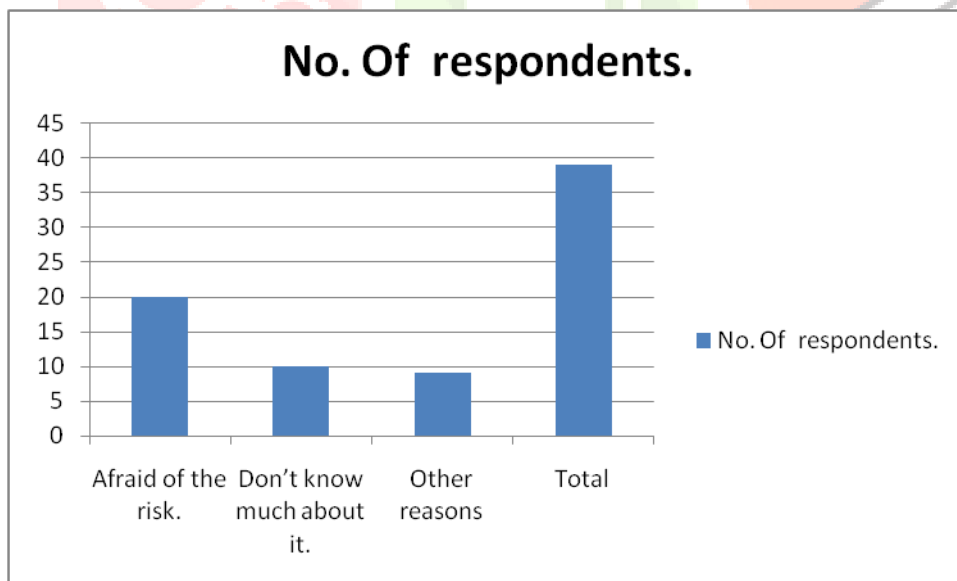
Particulars.	No. Of respondents	Percentage of respondents
Significantly more.	16	76.1%
Significantly less.	4	19%
No change	1	4.7%
Total	21	100%



**Interpretation:** From the above table it is observed that 76.1% of respondents think that the worth of cryptocurrency increases significantly in future whereas 19% of respondents felt that it is going to be decrease significantly in future

**6.What would be the reasons that might stop you from investing incryptocurrency?**

Particulars.	No. Of respondents.	Percentage of respondents
Afraid of the risk.	20	51.28%
Don't know much about it.	10	25.6%
Other reasons	9	23%
Total	39	100%



**Interpretation:**

51.28% of the respondents think that being afraid of the risk would be the reason that might stop them from investing in cryptocurrency. 25.6% of the respondents think that not knowing much about it would be the reason that might stop them from investing in cryptocurrency. 23% of the respondents said that other reasons would stop them from investing in cryptocurrency.

## **4.2 CONCLUSION:**

Crypto-currency is such an invention which has become a global phenomenon. Earlier RBI warned Indians from using cryptocurrency that to be associated with money laundering and terrorist financing. However, cryptocurrency is a modern technology and a tool which needs to look forward for. Even though there has been no regulatory response from the Indian government, the number of investors in cryptocurrency is increasing rather swiftly over the last few years. Indian government should take responsible steps now to regulate such currency as its user in India is rapidly growing. Future of cryptocurrency in India looks promising and there is ray of hope.

## **4.3 SUGGESTIONS:**

### **1. Implementation of regulatory rules:**

Consumer protection must be at the heart of all deliberations on cryptocurrency regulation. The decentralised nature of cryptocurrency and the lack of a central authority or intermediary make it particularly important to ensure consumer protection from fraud, financial loss, and other risks.

There are several ways regulators can ensure consumer protection in the cryptocurrency industry. One approach requires cryptocurrency exchanges and other platforms to implement strong **Know Your Customer (KYC)** and **Anti-Money Laundering (AML)** policies to prevent illicit activity.

### **2. Provide clear and concise information to consumers:**

It is important to provide clear and concise information to consumers to make them aware of the risks associated with investing in cryptocurrency, as well as the potential benefits. It is also essential to provide consumers with information about their rights, the resources available to them for dispute resolution, and if they encounter problems or have questions