



A STUDY ON CRYPTOCURRENCY AND DIGITALIZATION OF THE MONETARY WORLD

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ABSTRACT

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Title: A Study on Cryptocurrency and Digitalization of the monetary world

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Research question: What are the historical and technological contexts of cryptocurrencies and their rise in popularity in recent years?

Purpose: The study aims to provide insights into the origins and evolution of cryptocurrencies and the factors that have contributed to their growing popularity as a digital form of currency.

Method: This research inquiry used both primary and secondary data sources to gather information. Primary data was collected through surveys, while secondary data was derived from previously collected information

Conclusion: The rise of cryptocurrencies has indeed been a game-changer in the global financial system, and it is clear that they have the potential to revolutionize the way we conduct financial transactions. But there are risks associated with trading cryptocurrencies, and caution must be exercised by anyone who chooses to invest in them.

• INTRODUCTION

I am interested in the topic of cryptocurrency and have chosen it as the focus of my research. I plan to delve into sub-topics such as whether we are ready to digitize the monetary world, why banks oppose digital currency, and the risks and benefits associated with digital money-transferring technology. Digital money transfer plays an integral role in our daily lives and the economy as a whole, and I believe it's a fascinating subject to investigate. I will explore the two types of digital currency - centralized and decentralized - and how they function. The government typically has more control over centralized currency, while unregulated decentralized currency operates independently of financial institutions like banks and exchanges. There are virtual currencies like Ethereum and Bitcoin that are speculative and built on solid projects to bring value or solve problems in the web domain.

• RESEARCH OBJECTIVE

The project titled "Study on Cryptocurrency and Digitalization of Monetary World" aims to explore the potential of cryptocurrencies in transforming the traditional monetary system and the associated challenges and risks. The research problem seeks to answer the question of the historical and technological contexts of cryptocurrencies and their recent rise in popularity.

• LITERATURE REVIEW

During my research, I reviewed several articles on this topic and I believe that despite the potential risks, governments should consider implementing cryptocurrency and digital finance as it can foster economic growth, create jobs, and increase tax revenue. The adoption of Bitcoin can bring two commercial advantages - access to new markets and improved treasury management. There are over 5,000 cryptocurrencies in circulation, and investing in them can be a high-risk endeavor. Mining is the process of releasing new units of Bitcoin into

circulation in exchange for confirming transactions. NFTs have become distinct from other markets, and a study shows diversification opportunities among blockchain assets for mitigating risk associated with highly volatile digital assets. Cryptocurrency is a digital asset that can be traded without the need for intervention from a central monetary authority. Blockchain technology ensures the secure buying, selling, and exchanging of these digital assets. Digital currencies could potentially benefit people who do not have access to traditional banking services and could provide alternative payment methods that facilitate connections between consumers and businesses in high-risk nations with buyers and sellers in other countries.

• **RESEARCH METHODOLOGY**

This research inquiry used both primary and secondary data sources to gather information. Primary data was collected through surveys, while secondary data was derived from previously collected information. The research used a questionnaire to examine consumers' tastes and preferences regarding cryptocurrencies and digitization, and secondary data sources included books, journals, national and international research papers, and articles. Using both types of data sources enhances the quality of the research and provides a comprehensive understanding of the topic.

• **FINDINGS & ANALYSIS**

This study indicates that there is a strong interest in cryptocurrencies among young adults, with most participants falling in the age group of 22-25 years old. The survey also shows that people from all income ranges have participated, with individuals earning between 20,000-50,000 being the majority. Despite having good knowledge about cryptocurrencies, only 33.3% of participants actually own them, indicating some skepticism about investing in them. Many participants believe that the worth of cryptocurrencies will increase in the coming years, but some may perceive digital money transferring as more of a risk than a benefit due to a lack of proper knowledge and understanding. Participants regularly check the price of cryptocurrencies, suggesting interest in market trends. The survey indicates that more awareness and education about cryptocurrencies are needed to address any skepticism or negative opinions towards them. Finally, participants believe that the main advantage of cryptocurrency is international payment, indicating that they see practical uses for this technology beyond just investment.

• **CONCLUSION**

Cryptocurrencies are a digital form of currency that can be exchanged without the need for intermediaries such as banks. Bitcoin is the most well-known cryptocurrency, but it has a volatile price and limited transaction capacity. Despite this, it has provided a monetary option for underprivileged countries and paved the way for

economic success. Cryptocurrencies provide a decentralized alternative to traditional financial systems, which may increase transparency and security. However, their volatile prices and risks associated with trading them may limit their adoption on a larger scale. Regulators need to develop policies and regulations to ensure their responsible use.

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