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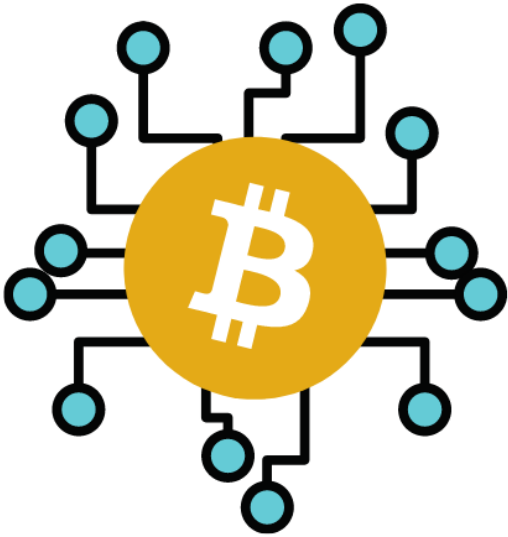
MINDROID

NEWSLETTER

EDITION IV



CRYPTO



CURRENCY

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BY ISHITA ARORA

Almost a decade after its launch in 2009, cryptocurrency procured massive attention. Cryptocurrency, also known as crypto-currency or crypto, refers to tradeable digital assets. Crypto does not exist in a physical form and does not have a central issuing or regulatory authority, rather, it is controlled in a decentralized manner using blockchain technology which utilizes a technique known as cryptography.

Before discussing further about crypto currency, let's first understand what cryptography and block chain mean:



- **Cryptography** - In simple words, cryptography is a method used to protect information by converting (encrypting) it into an unreadable format which can then be accessed (decrypted) only by someone who is authorized (possess the cryptographic key) to do so.
- **Blockchain** - Blockchain Technology is what makes the existence of crypto possible. It is a decentralized and distributed ledger that records and shares data. In other words, blockchain is the database of all crypto transactions that take place in the world. The transactions are recorded in 'blocks' which are all linked together on a 'chain'. Blockchain employs cryptography to store information which makes it impossible to change, hack or cheat the system.

Coming back to crypto - Cryptocurrencies are the first alternative to the traditional banking system. Crypto, just like any currency, can be used to buy anything from a cup of tea to a brand-new mansion, but it's not a form of payment with mainstream acceptance quite yet. Hence, people generally prefer to invest in crypto like they would in stocks. Bitcoin was the first cryptocurrency to be launched in 2009 and today there are many more like Litecoin, Ethereum, Tether, Dogecoin, etc. After Bitcoin (the first crypto), everything else that followed came to be collectively known as Altcoin ('alternative coin').

Crypto can be classified into two types - coin and token. While the terms may sound interchangeable, they are not the same:

- **Coins** - Coins are created on their own blockchain and act as traditional money. They can be used to buy goods and services for the purpose of investment.
- **Tokens** - Unlike coins, tokens do not have their blockchain. Instead, they operate on other crypto coins' blockchains. Tokens have a wider variety of uses than coins. While crypto coins are essentially digital versions of money, tokens can stand for assets or deeds. Simply put, a token represents what you own, while a coin denotes what you're capable of owning.

To summarize, crypto is a tradable asset that is controlled in a decentralized manner using blockchain technology. While the crypto craze was started with the launch of Bitcoin in 2009, today there are thousands of cryptos in the world. Crypto, like money, can be used to buy goods and services. In addition, it can serve various other purposes (like representing assets, NFTs, etc).



THE TWO SIDES OF THE NEW AGE E-COIN

BY MAITREYEE SOMVANSHI

There are hardly a couple of things which attracted as much attention as the coronavirus and Cryptocurrency was surely one of them. With the first Cryptocurrency being introduced in 2009, the very famous Bitcoin, very few people knew or as much as cared about them. Then one day suddenly, the world was after these decentralised digital currencies and we could literally look at 800% surge in even satiric and 'joke' coins (read DOGE).

A person who had invested in these as a part of some truth or dare game was now a millionaire and every newspaper had the same headline. A new trend was here and it was not some dance or meme, but a Laxmi chit fund-sure shot-in a whip way of becoming rich, only difference being, this was actually legit.

Does this not seem too good to be true? Why don't people buy 20\$ worth of these coins, get rich and end poverty? Because these supposedly new age replacement for real, normal, everyday money were not really so. In Jan 2021, all these crypto currencies crashed leading to \$134B losses. How did this happen? The distrust of governments and unstable market were the main culprits to blame. However, this opened investor's eyes and the bitter truth of investment was realised yet again, that loss and gain are the two sides of the same coin.

Yes, Cryptocurrency is an excellent investment opportunity and could be a boon for our generation or until the next quick money option emerges, but it comes with equally high-risk factors. With no regulatory body or no nodal authority, it is just a peer-to-peer network of transactions and the anonymity worries government and people alike. As of now, crypto can more easily be used for criminal activities rather than daily life transactions. With more developments, maybe a new age of virtual could come with crypto as safe as the rupee and dollar, but today with the ever-fluctuating rates and such vague nature, further

huge advancements are necessary. These coins are still considered experimental by the founders themselves and extensive research is thoroughly advised. This tug of war situation is a part of the journey and in the end, either Cryptocurrency will be a revolutionary idea or just a primitive prototype of virtual currency which taught quite a few lessons.

