



Libyan International Medical University
Faculty of Business Administration
Contemporary issues in Finance and Banks Management
Topic: Cryptocurrency

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Table of contents

1. Introduction of cryptocurrency
2. Investing in crypto
3. Mining
4. Statistics
5. Advantages
6. Disadvantages
7. Legalization
8. Conclusion
9. References

Introduction to cryptocurrency



- In 2009, a so-called (Satoshi Nakamoto) man whose identity remained secret created the first cryptocurrency Bitcoin.
- The form of electronic money is crypto-currency. There are no actual coins or banknotes; they are done electronically. Without an intermediary such as a bank, you can transmit cryptocurrencies online to someone.
- Cryptocurrencies are almost always intended to be free of government manipulation and regulation.



Buy

Trade

Bitcoin BTC

\$37,281.30 +1.30%



Buy

Trade

Ethereum ETH

\$2,354.36 -7.59%



Buy

Trade

Bitcoin Cash BCH

\$557.00 -10.32%



Buy

Trade

Stellar XLM

\$0.31 -12.10%



Buy

Trade

Tether USDT

\$1.00 +0.07%



Buy

Trade

Polkadot DOT

\$21.28 -10.21%



Buy

Trade

Algorand ALGO

\$0.94 -5.90%



Buy

Trade

Aave AAVE

\$280.00 -14.54%



Investing In Crypto



Cryptocurrencies are attractive to its investors for many reasons, those are the main reasons:

- Cryptocurrencies such as Bitcoin are seen as the money of the future, and supporters are rushing to purchase them now, presumably before they grow more valuable.
- Some proponents prefer the idea that bitcoin eliminates central banks from regulating the money supply, because these institutions tend to devalue money over time through inflation.
- Others like the blockchain technology that underpins cryptocurrencies because it is a decentralized processing and recording system that can be more secure than traditional payment methods.
- Some speculators enjoy cryptocurrencies because they are increasing in value, but they are uninterested in the currencies' long-term adoption as a means of transferring funds.
- Some speculators are chasing crypto because several cryptocurrency future projects are supporting green energy.
- The final and the main reason is that crypto is free of government taxation.

Mining



Bitcoin mining is the process by which new bitcoins enter the market, but it is also an integral part of the blockchain ledger's management and development.

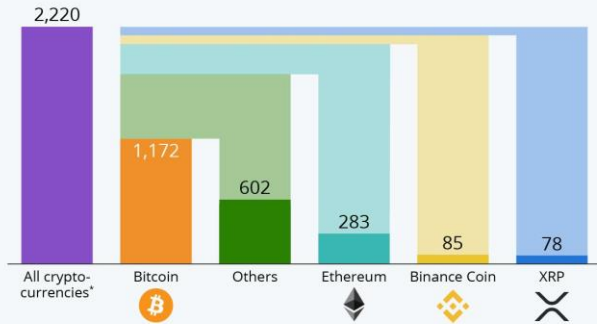
You might have learned that miners tackle complicated arithmetic problems—this is not completely correct. They are the first miner to create a hexadecimal 64-digit number (an "Hash") equal to or below the target hash. It's just a chance game.



Statistics

Two Trillion Dollars Worth of Crypto

Market caps of cryptocurrencies (in billion U.S. dollars)



As of April 15, 2021

* out of 4,701 listed on source website

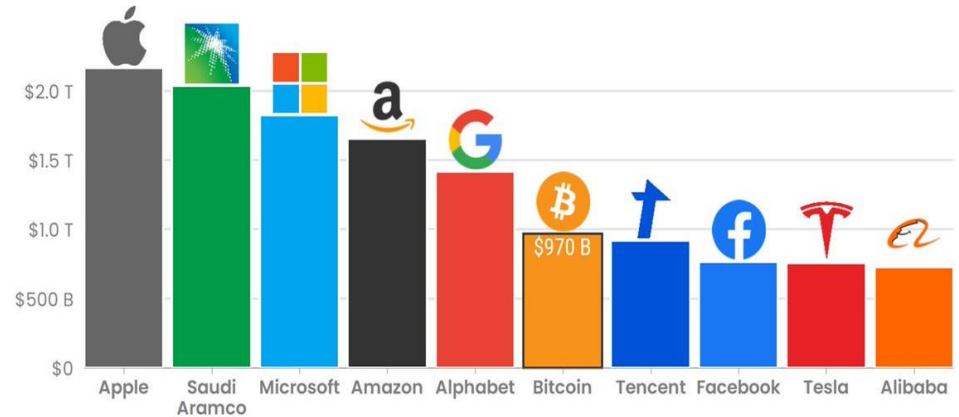
Source: CoinMarketCap



statista

Bitcoin Passes Tencent In Market Cap

The cryptocurrency's market cap would rank #6 in the world among publically traded companies.



Source: CompaniesMarketCap.com

Figure 64: The cryptocurrency payment sector

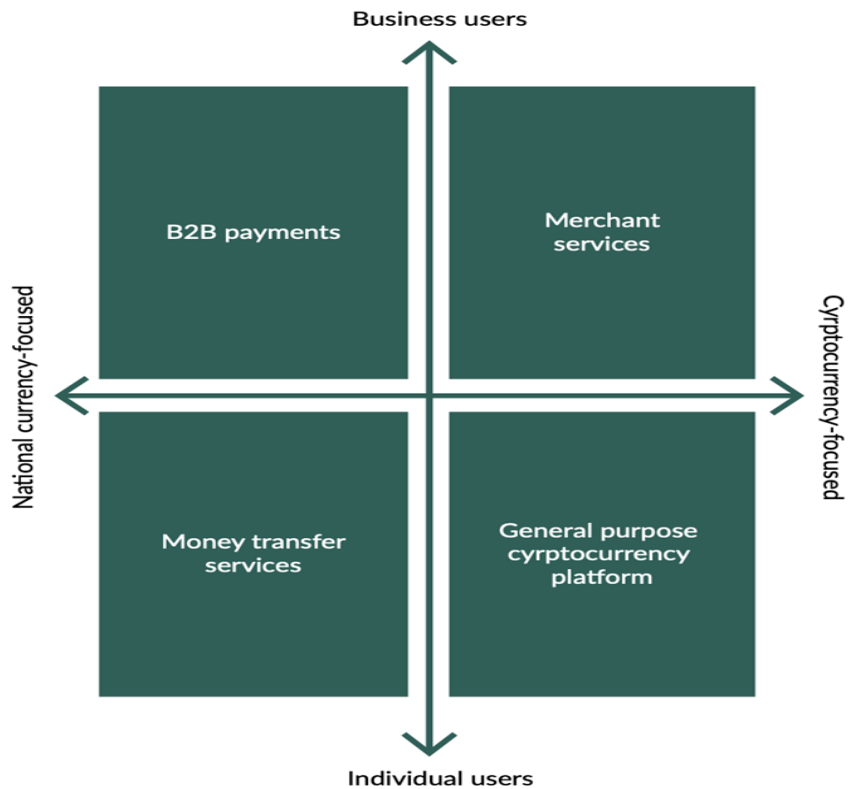
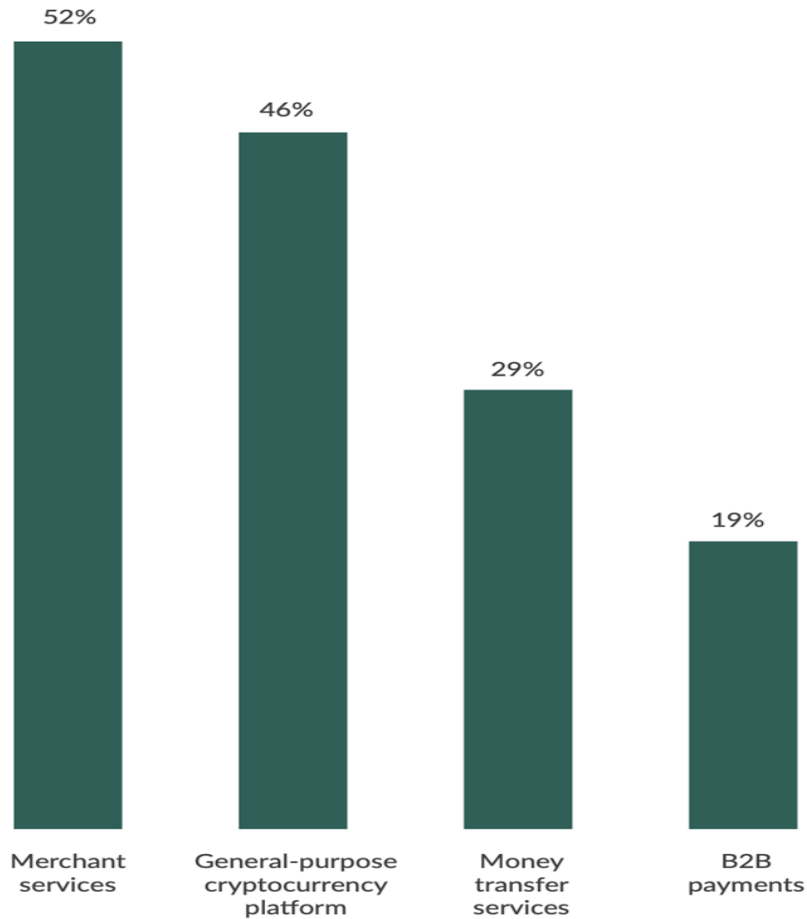


Figure 65: More than half of payment companies provide merchant services



Advantages

- Digitalized
- Decentralized
- Untraceable
- Free tax
- Easy to transfer money anywhere



Dark side of crypto

(Disadvantages)



Dark side of cryptocurrency



Currency of alternative for several drug dealers and extortionists because they can hide behind the privacy and anonymity. For example;

- **Tax evasion**
- **Cash laundering**
- **Ponzi schemes**

Untraceable: Difficult to trace because they use ring signatures and stealth addresses

Lack of market regulations: There are currently no legitimate market regulations for trading cryptocurrencies, even governments are sceptical of the viability of bitcoins.

Legalization



- There is no doubt that they are legal in the United States, while China has effectively forbidden their use, and whether they are legal actually depends on each individual nation.
- El Salvador became the primary country within the world to adopt bitcoin with ease when Congress approved President (Nayib Bukele's) proposal to embrace the cryptocurrency, a move that delighted the currency's supporters.
- Bukele tweeted that a "huge chunk" of that \$6 billion is lost to intermediaries who take a cut of the money transactions in greenbacks

Republic of El Salvador

República de El Salvador (Spanish)



Flag



Coat of arms

Capital and largest city	San Salvador  13°41′56″N 89°11′29″W﻿ / ﻿13.69889°N 89.19139°W﻿ / 13.69889; -89.19139
Official languages	Spanish
Currency	Bitcoin (BTC, XBT, since 2021) ^{[9] b} United States dollar (USD, since 2001) ^a
Time zone	UTC−6 (CST)
Driving side	right
Calling code	+503 ^c
ISO 3166 code	SV
Internet TLD	.sv

a. Bitcoin and the U.S. dollar are the currency in use. Financial information can be expressed in Bitcoin, U.S. dollar and in Salvadoran colón, but the colón is out of circulation.^[10]

b. Effective 90 days after publication in official gazette which is September 7, 2021.^{[11][12]}

c. Telephone companies (market share): Tigo (45%), Claro (25%), Movistar (24%), Digicel (5.5%), Red (0.5%).

Conclusion



The digital world is controlling every aspect of our life, starting from the social factors, to the time being consumed and invested differently, and to the financial sector as well. On one hand, We see how the world is changing from social media and its impact on our social behaviours, financial behaviours, and how businesses are using such different digital platforms to generate profits. On the other hand the same changes are happening in terms of financial sectors and their innovative role, and investment into digitalization.



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Thanks