



A Study on the Awareness and Perception of Cryptocurrency

**Ms. Kaparthy Sanskriti, Student, B.Com I Year, Honours, Villa Marie Degree College for Women,
Somajiguda, Hyderabad.**

**Mr. K. Naveen Kumar, Assistant Professor, Department of Commerce, Villa Marie Degree College
for Women, Hyderabad.**

Abstract

A cryptocurrency is a form of currency that exists only digitally and has no central issuing or regulatory authority. To prevent fraudulent transactions, a decentralized system relies on the blockchain system to record and monitor transactions. Blockchain technology is a type of system used to record transactions, making it difficult to hack. Each block within the chain contains a multitude of transactions, and each time a replacement transaction occurs on the blockchain, a record of that transaction is added to each participant's ledger. Blockchain transactions are recorded with an immutable cryptographic signature called a hash. In order to corrupt the blockchain, a hacker would have to alter every block of a chain, which is constantly growing and increasing system security.

Keywords : Cryptocurrency, Blockchain, transactions.

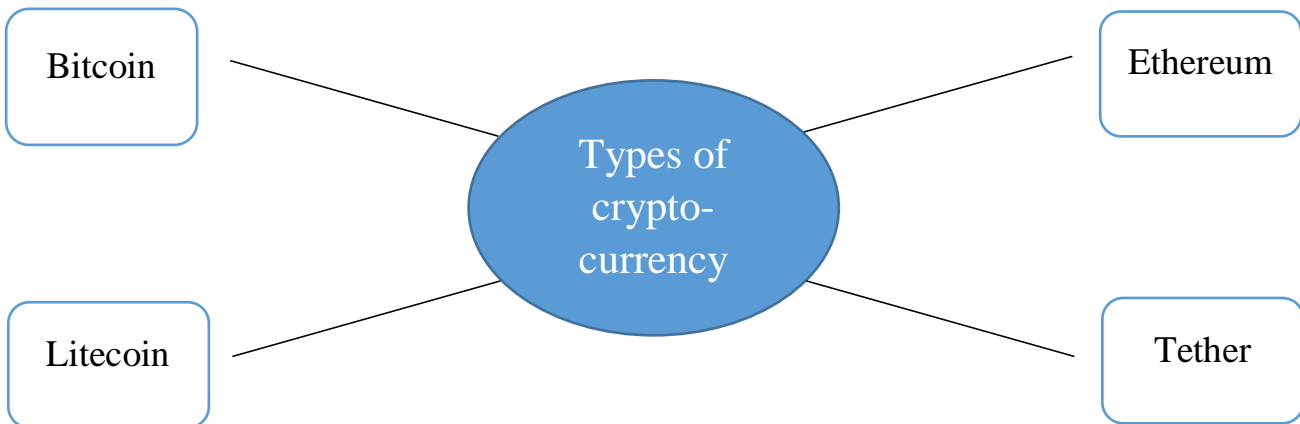
Introduction

Cryptocurrency is a digital form of currency created using block chain technology. Block chain technology is a system of recording information that makes it impossible to hack. Cryptocurrencies serve as an alternate form of currency. Some of its types:

1. Bitcoin
2. Litecoin
3. Ethereum

One can operate/use the crypto-currencies through many decentralized web/mobile applications. These applications allow the user to see, buy or exchange into cryptocurrency and store private keys therefore securing the cryptos which can be feasible to access. Another way to access crypto currency is through crypto-wallets which also use private keys; these keys are credentials which provide access to the crypto. If the keys are once lost, the access to the money is lost too. There 3 different types of crypto-wallets: hardware, software and paper-based wallets.

Types of Crypto-Currency



Bitcoin

Bitcoin is a type of cryptocurrency, a transparent, decentralized digital currency. It was launched in 2009 on January 3. The transactions of bitcoin are first validated through mining node and then recorded in a block chain. It has a number of advantages:

1. Control of own money
2. Nobody else can access the funds
3. The bank nor the government have the right to freeze the account

The current rate of bitcoin as on 4th November 2022 is 17,07,912.50 INR



Litecoin

Litecoin is a decentralized type of cryptocurrency which is transparent. It is similar to bitcoin and has been developed through it. Bitcoin and Litecoin have a lot of similarities. It was launched on October 13, 2011. Litecoin used to be referred as "silver to Bitcoin's gold." The current rate of Litecoin as on 4th November 2022 is 5,443.86 INR.



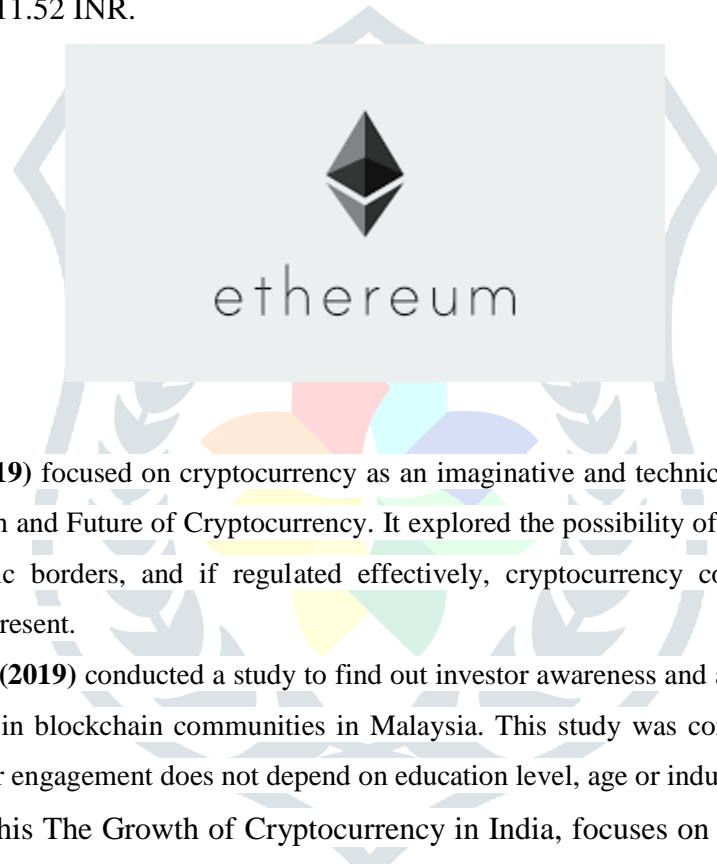
Tether

It was launched in 2014. It a type of asset backed type of cryptocurrency. It is also known as stable-coin. The current value of tether is 82.10 INR.



Ethereum

It is a type of cryptocurrency which is decentralized and open-source block chain. After bitcoin, Ethereum is the 2nd in the market capitalization (market price). It was launched on 30 July, 2015. The current price of 4th November 2022 is 1,35,811.52 INR.



Review of Literature

Rahman and Dawood (2019) focused on cryptocurrency as an imaginative and technically advanced alternative for globalization in their Bitcoin and Future of Cryptocurrency. It explored the possibility of an alternative for processing payments across geographic borders, and if regulated effectively, cryptocurrency could eliminate many of the financial challenges of the present.

Kanirajan and Veliappan (2019) conducted a study to find out investor awareness and acceptance of cryptocurrency and blockchain technology in blockchain communities in Malaysia. This study was conducted on 304 respondents. The study finds that investor engagement does not depend on education level, age or industry.

Shailak Jaini (2018), in his *The Growth of Cryptocurrency in India*, focuses on aspects such as the impact of cryptocurrencies in India and the opportunities it presents. It also talks about the various aspects of other countries and their rules and legislation surrounding cryptocurrency adoption.

Gunjan Jindal and Sheza Azeen (2018), in their book *Legal Acceptance of Bitcoin in India*, discuss how Bitcoin plays a central role in aggregating the nation's growth percentage and that this would not be possible unless the government pushed to stop the transactions legal to do, and their regulations imply it.

Objectives of the Study

1. To study the concept of crypto currency
2. To analyses different types crypto currencies

Research Methodology

Researchers have been selected analytical research methodology for the study. To satisfy the objectives of the research, researcher used secondary data from various publications by financial websites, government of India, journals, newspapers, books and magazines etc...

Sources of Data Collection

Primary Data : Primary data is collected through questionnaire.

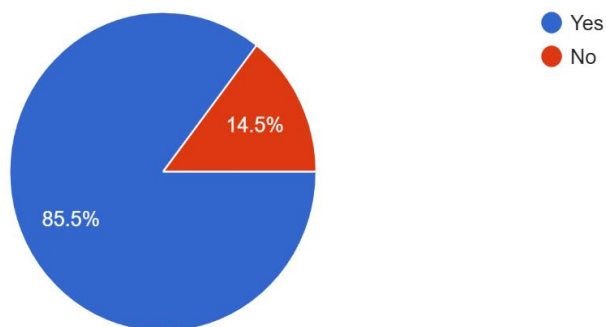
Secondary data : The secondary data necessary for completing the investigation will be collecting from the published sources in the academic libraries, web sites, books, journals, magazines, etc.

Data Analysis and Interpretation

Awareness of Cryptocurrency

Are you aware about crypto-currency ?

55 responses

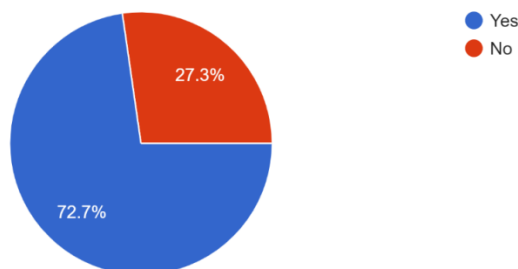


From the above chart it is clear that, 85.5% of the respondents are very well aware about cryptocurrencies and 14.5% respondents are not having awareness about cryptocurrency.

Secure to invest in Cryptocurrency

Crypto-currency being decentralized , do you think it is secure to invest in?

55 responses

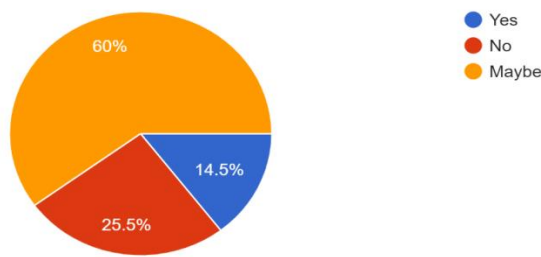


According to the chart most of the respondents that is 72.7% they feel that it's secure enough to invest in cryptocurrency.

Process to Invest in Cryptocurrency

Do you think crypto-currency and the process to invest in is difficult to understand?

55 responses

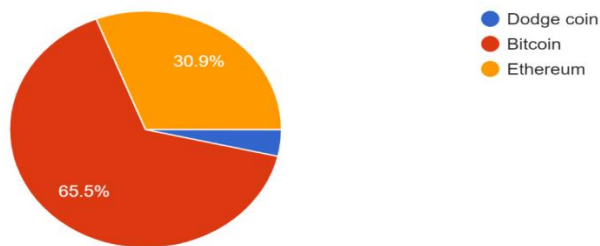


According to the chart most of the respondents are not having the knowledge of investment process in cryptocurrency. Only few respondednts are know about the procedure for investing in Cryptocurrency.

Preference of Cryptocurrency

Which type of crypto-currency do you think is preferable for long term investment?

55 responses

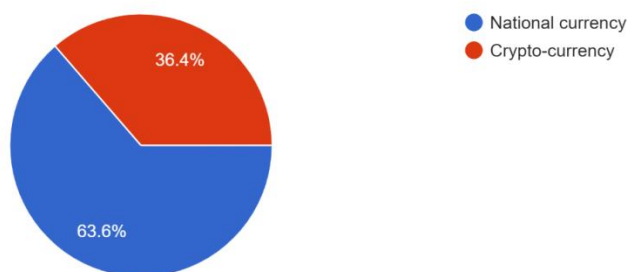


According to the voters of the survey , 65.5% of them would want to invest in bitcoin and least in Ethereum.

Secure Investement

Which is more feasible and secure in terms of investment ?

55 responses

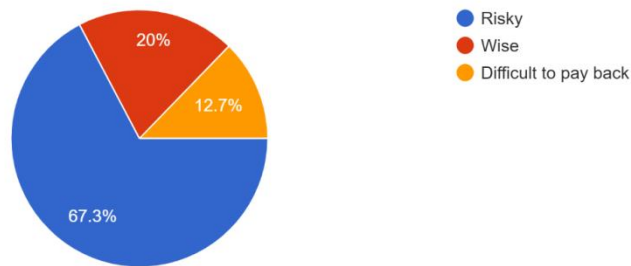


The pie chart shows on how 63.6% of the people are interested feel to invest through national currency. Only few respondents are showing in cryptocurrency.

Risk

What is taking a loan to invest in crypto-currency according to you ?

55 responses



People are finding it risky to invest in cryptocurrency, it comprises of 67.3%

Limitations

1. It is difficult to understand cryptocurrency. It takes a lot of time and effort
2. The ones who are new to crypto initially might face or are vulnerable to face security risks
3. At times the prices of cryptocurrencies tend to rise really high and drastically fall down to low prices terrifying the investors.
4. As the crypto currency transactions are highly secure it is difficult for the government to track the any user through their crypto wallets
5. Few of the sources prove that cryptocurrency is used to convert the money attained through illicit activities into white money

Findings

1. There are a lot people who are aware about what cryptocurrency is but not completely familiar with what it is and how it works
2. Even though there are a lot of people familiar about cryptocurrency they don't seem to invest in cryptocurrency
3. They are finding it easier, secure and less risker to invest through national currency than cryptocurrency for certain reasons.
4. According to the survey conducted, it shows that people aren't willing to take a loan to invest in cryptocurrency because it might risky or even difficult to pay back.
5. There is also a particular percentage of people who feel cryptocurrency is secure even after it being decentralized but aren't initiating to invest in it.

Suggestions

1. There should be awareness spread about cryptocurrency on how they work, ways to invest, types so on and so forth
2. Classes related to cryptocurrency can be initiated by government for the earning ages who can invest in it.
3. One must also learn the trading process which plays a vital role.

4. In the generation of social media, YouTube information can displayed in the form of videos, posts, podcast acting like a click bait for the target audience
5. Sustenance, stability, growth, trading are different areas people should be equipped with.
6. Education strategies must change, focus on practical learning more and less on vocational

Conclusions

The evidence is clear: there is lack of awareness related to cryptocurrency. Quite a lot many people are aware on what it is but aren't familiar with the depth of cryptocurrency. As already mentioned there should be classes, awareness programs, social media must be utilized at its utmost potential to spread the word. Technology is changing at a rapid rate and people must try to cope with the same. Nonetheless currency digital or paper, the worth or value for both of them increases with time.

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