



To Study on Future of Crypto Currency on India

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ABSTRACT

Due to the rapid development of information and communication technologies, many activities in our daily life have been merged online and they become more flexible and more effective. A huge growth in number of online users has activated virtual word concepts and created a new business phenomenon which is cryptocurrency to facilitate the financial activities such as buying, selling and trading. The use of virtual currency has become widespread in many different systems in recent years. Virtual money is not fully controlled and regulated hence most of the countries have not admitted this currency in their economic activities. This paper investigates about cryptocurrency present legality as well as future government moves impact on these currencies. The paper also analyses investment risks in both Bitcoin and Gold countries have responded in terms of regulations & legislations towards crypto currencies to develop a clear picture of its impact on various laws in India in order to regulate it".

INTRODUCTION

Today's economies are all money economies, because all economies have accepted certain currencies (money) as medium of exchange. The money supply causes inflation as well as deflation in economies by its excess supply and contraction in money supply, hence currencies of different countries regulated by government in order to combat inflation or deflation situations. Now a day's many countries in the world have focusing towards digital currency and transactions. Even some one doesn't want to regulate their currencies and transactions. This brought greater innovation in new currency that is cryptocurrency, One of the most advanced, ambiguities, regulation free currency. In this article I made an attempt to study regarding crypto currency and its development and transactions in India. Bitcoin is a cryptocurrency. It is a decentralized digital currency without a central bank or single administrator that can be sent from user to user on the peer-to-peer Bitcoin network without the need for intermediaries. Transactions are verified by network nodes through cryptography and recorded in a public distributed ledger called a block chain. Bitcoin was invented in 2008 by an unknown person or group of people using the name Satoshi Nakamoto and started in 2009 when its source code was released as open-source software. Bitcoins are created as a reward for a process known as mining. They can be exchanged for other currencies, products, and services. Research produced by University of Cambridge estimates that in 2017, there were 2.9 to 5.8 million unique users using a cryptocurrency wallet, most of them using Bitcoin.

OBJECTIVE OF THE STUDY

- 1.To understand the concept of Bitcoin and it's functioning in regular trading.
2. To know legality and trading of Bitcoin in India.
3. To compare investment risk in between Bitcoin and gold.
4. There is no limits to the memory you can transfer using bitcoin, accounts are almost are almost impossible to hack because you are not using a financial institution, and there isn't a central point of failure.

SCOPE OF THE STUDY

- ❖ In simple words, Cryptocurrency is defined as a type of digital currency that exists electronically or virtually and uses cryptography to secure transactions.
- ❖ The cryptocurrency doesn't rely on banks or any other central authority to verify these transactions.
- ❖ Cryptocurrency is an internet-based medium of exchange in the form of digital assets which uses cryptographic functions to conduct financial transactions.
- ❖ Cryptocurrencies leverage block chain technology to gain decentralization, transparency, and immutability.

STATEMENT OF THE PROBLEM

World has transforming in to cash less transactions through innovating and making transactions by digital Money. One of the tremendous innovation in money that is crypto currency it is digital money, not regulated By any authority and central bank, universal currency, at the same time there are some problems associated With this new currency hence many countries step back from its implementation among those India is one of The country prohibited using and mining Bitcoins. But as per the order of supreme court now trading through Bitcoin is no more illegal in India from That's why it is an important need to understand about Bitcoin Trading in India, how its operates, how it was evolved in India, players who are involving in this transactions.

RESEARCH METHODOLOGY

Researcher have been selected analytical research methodology for the this study. To satisfy the Objectives of the research, researcher used secondary data from various publications by financial websites, Government of India, journals, news papers, books and magazines etc

REVIEW OF LITERATURE

- ❖ Rahman and Dawood(2019) in their Bitcoin and Future of Cryptocurrency focused on cryptocurrency as an imaginative and Technically advanced alternative for globalization. It examined the Possibility of an alternative for processing payments across Geographical boundaries and if regulated effectively cryptocurrency Could remove a lot of the financial challenges faced in the present.
- ❖ C.A. (Dr.) Pramod Kumar Pandey(2017) in his Bitcoin As Emerging Virtual Currency and Its Related Impact on India focused on the high Returns and the high risk that comes along. He believed bitcoins aren't Mature and investing in bitcoins would be like jumping in a dark well Without knowing the depth, since bitcoin is not backed by anything. One of the challenges to be faced would be to establish it as a currency Or commodity. If this is established as a currency, probably RBI will Play a leading role in its regulation, while if this is a commodity, SEBI Will initiate regulations.
- ❖ Komal Dhande (2017)in his Bitcoin and Its Prospects in India study Focuses on the remarkable growth in the acceptance of Cryptocurrencies but does not see it replacing paper currencies anytime Soon. The problem is to structure it for the law enforcement agencies And users to ensure safety in transactions and the problems to Determine a way to charge cryptocurrency tax. The high growth on Bitcoins has attracted a lot of interest but the high amount of risk Involved in keeping the investors hesitant to invest. Though the study Shows belief in virtual currencies, a good legal and regulatory Framework is required for investors to trust this form of currency in India.

ANALYSIS AND INTERPRETATION

Analysis of data is a process of inspecting, cleansing, transforming and modelling data with the goal of discovering useful information by providing conclusions and supporting decisions. Data analysis is a process for obtaining raw data and converting it in to information useful for decision making by users. Data are collected and analyzed through answering questions, testing hypothesis or disapprove theories. Simply it is the process of systematically applying statistical and logical techniques to describe and illustrate, condense and recap evaluate data. An essential component of ensuring data integrity is accurate and appropriate analysis of research findings. Data collection and analysis are defined as series of charts, maps and diagrams design to collect interpret and present data for a wide range of application and industries.

PERCENTAGE ANALYSIS

Percentage Analysis refers to the specific kind which is used in making comparison between two or more series of data collected. A percentage analysis is used to interpret the data by the researcher for the analysis and interpretation. Percentage are based on descriptive relationship. In the percentage analysis is calculated by multiplying the number of respondents in to 100 and it is divided by the same size.

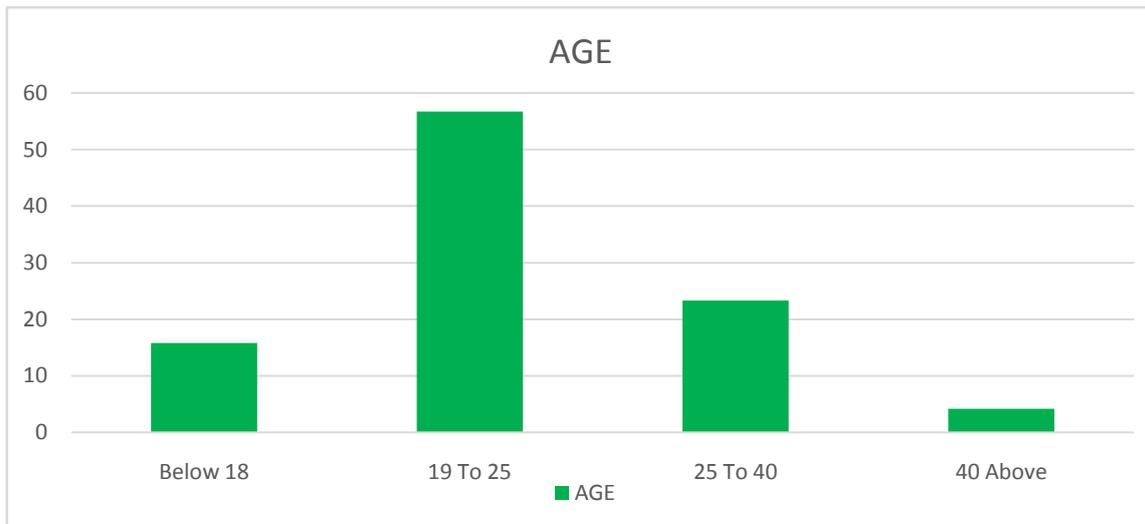
FORMULA:

$$\text{Simple percentage} = \frac{\text{No. of respondents} \times 100}{\text{Sample size}}$$

TABLE

TABLE SHOWING THE AGE OF THE RESPONDENTS

Age	Frequency	Percentage
BELOW 18	19	15.8%
19 TO 25	68	56.7%
25 TO 40	28	23.3%
40 ABOVE	5	4.2%
TOTAL	120	100%

CHART**CHART SHOWING THE AGE OF THE RESPONDENTS**

INTERPRETATION:

The above table indicates 15.8% of the respondents are aged between below 18, 56.7% of the respondents are aged between 19 to 25, 23.3% of the respondents are aged between 25 to 40, 4.2% of the respondents are aged In above 40.

FINDINGS

- ❖ Majority of 57% of the respondents are aged 19 To 25 years.
- ❖ Majority of 67% of the respondents are male.
- ❖ Majority of 57% of the respondents are you aware with the concept of crypto currency.
- ❖ Majority of 40% of the respondents do you invest in crypto currency.
- ❖ Majority of 36% of the respondents have much,if at all,have you heard or read about crypto currencies such as bitcoin or ethereum.
- ❖ Majority of 37% of the respondents do you think crypto currency has a future in india.

SUGGESTION:

Cryptocurrencies have garnered a lot of interest among retail investors in India. Indeed, the year 2021 has been an important one for them. However, the recent discussions on 'Cryptocurrency and Regulation of Official Digital Currency Bill' has led to lot of speculations. The bill "seeks to prohibit all private cryptocurrencies in India", which is yet to be discussed in Parliament. For individuals looking to invest in cryptocurrencies in 2022, experts said that decisions must be based on smart thinking, factoring in volatility and sudden market crashes.

CONCLUSION:

The genesis of cryptocurrency is a white paper published by Satoshi Nakamoto proposing "a system for electronic transactions" based on a peer-to-peer network, where transactions would be verified and recorded by nodes, or computing systems, that are part of the network, thereby making such transactions decentralized. Soon after, in 2009, Satoshi Nakamoto implemented the first cryptocurrency – Bitcoin. A draft bill titled as the 'Banning of Cryptocurrency and Regulation of Official Digital Currency Bill, 2019 (Draft Bill)' was prepared by the Inter-Ministerial Committee constituted on 2 November 2017 to propose specific action on crypto currencies. The Draft Bill has been under consideration and is yet to be introduced in the Parliament. The Draft Bill gives a wide definition to "cryptocurrency" and effectively prohibits the use of and dealing in all forms of digital assets, not just digital currencies. If bill passed by parliament then investors in digital currencies would be afflicted. You don't need to invest in bitcoin to have a well-diversified portfolio. If you want to make a speculative bet on bitcoin, do it with a small, single-digit, portion of your assets. There isn't sufficient evidence to suggest either will deliver more consistent returns. But investing in gold is better because it will give consistent return as comparing to bitcoin.

REFERENCE:

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 - www.wikipedia.com