



A Study on Investor's Perspective Towards Crypto Currency with Reference to Bangalore City

Mrs. Rekha. B¹, Dr. Kiran. R²

¹Research Scholar ,Shushruthi Institute of Management Studiesand Research Centre Recognized by University of Mysore

²Professor & Research Guide,Shushruthi Institute of Management Studiesand Research Centre Recognized by University of Mysore

DOI: <https://doi.org/10.55248/gengpi.2023.4.33556>

ABSTRACT:

Throughout history, humans have primarily used commodity currencies. Fiat money is a more recent innovation that was first used about 1000 years ago and is today the most popular kind of money. The story of money, however, does not end here. Cryptocurrency is a brand-new, untested kind of money that is neither fiat nor commodity money. Whether the cryptocurrency experiment is eventually a success or not. This article defines bit coin and introduces some of the fresh problems it raises. It is essential to comprehend the problem being solved in order to comprehend why a crypto currency has the characteristics that it has. For this reason, we begin by discussing the issues that have hindered digital currency in the past and the technological advancements that have made crypto currencies practical. Following the establishment of this framework, we discuss the specific economic problems that the solution raises. Technical Introduction to the Article Cryptocurrency is a phrase used to describe a system that uses encryption to enable distributed, decentralized, and secure exchange of digital tokens. At market pricing, these tokens can be converted into fiat currency. The first cryptocurrency, Bit Coin, began trading in January 2009. Since then, several more crypto currencies have been created using the same innovations that made Bit coin possible, albeit some specifics of their governing algorithms have been changed. Two of the main advancements introduced by Bit coin and which enabled crypto currencies were the double-cost problem and the Byzantine general's dilemma, two age-old problems in computer science.

Keywords: Crypto currency,DigitalCurrency,Bit coin,TechnologyAdoption

Introduction:

Digital currencies differ somewhat from the conventional architecture of the financial system. Digital currencies have an edge over the architecture of the conventional financial system. The community has become far more attentive to digital currencies as a result of the economic crisis. Since the public lacks confidence in the current fiscal structure and tends to favor alternative models since they are simple to implement, more creative models are also being offered for the future fiscal structure. Bit coins are the type of digital currency that the general public finds most interesting. A mysterious individual or group of individuals using the alias Satoshi Nakamoto first proposed the idea of Bit coins in 2008. In 2009, it was possible to use bit coins. Bit coin is an electronic financial system that offers elements comparable to those in our existing financial system, such as the ability to create one's own money and exchange system, but it relies on a decentralized authoritative design. Bit coins and other digital currencies are not financed, regulated, or controlled by any government, in contrast to paper money. The media, financial institutions, governmental organizations, and venture capitalists have all paid close attention to crypt money. Cryptocurrency is attracting a lot of interest from investors. Crypt currency, a disorganized, shared structure for promoting digital barter, has recently gained popularity among India's financial backers. It is a development that was made eight years ago. The first and most well-known cryptocurrency, Bit Coin, is prepared to pose a challenge to India's long-established and unchanged financial payment systems. These systems have been in place for a very long time. Bit coin is a cutting-edge invention that provides a few benefits, including speedy exchange speeds, low exchange costs, and the elimination of the need for an outside delegate to handle trades. Although there is still mistrust and a lack of knowledge of this crypto money, Bit coins have become the most well-known of these. In this study, we look for investors' perceptions about bitcoin. This article demonstrates the opinions of investors depending on a variety of variables. This research article starts out with an introduction to bitcoins and then moves on to a literature review. Research approach is followed by data analysis. The primary data used in this study was obtained through in-person interviews with respondents.

Meaning of Crypto Currency:

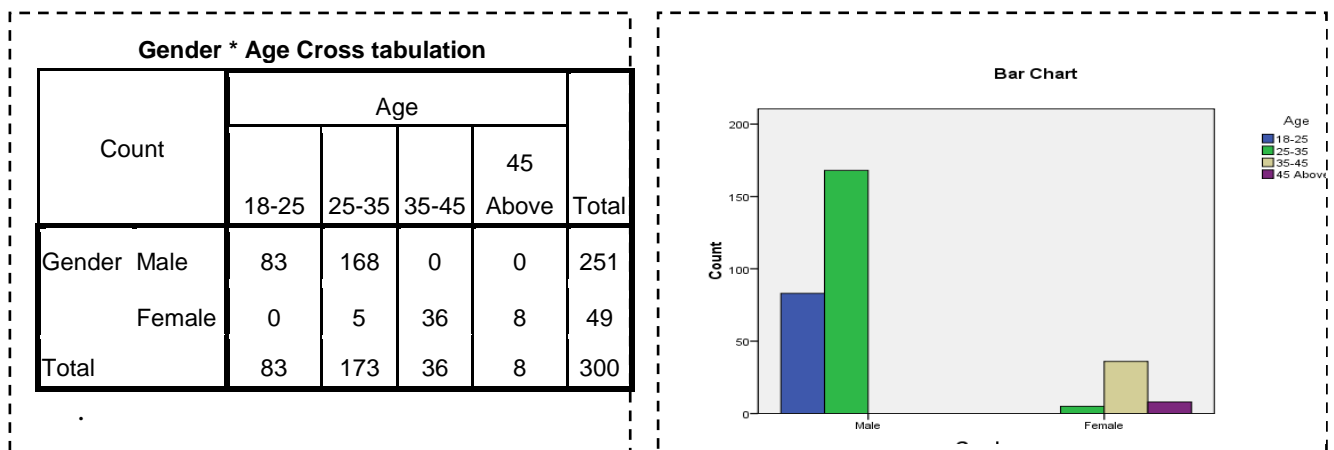
A crypto currency, sometimes known as a "crypto currency," is a type of digital asset created to function as a means of exchange. Cryptography is used to safeguard transactions, limit the creation of new units, and confirm the transfer of assets. Digital currencies, alternative currencies, and virtual currencies are all subcategories of crypto currencies. As opposed to centralized electronic money and central banking institutions, crypto currencies employ decentralized control.

Each crypto currency is controlled decentralized by a block chain, a public transaction database that serves as a distributed ledger.

Review of Literature:

The most famous and well-known cryptocurrency in the world, bit coin, has been gaining popularity. Water would be more valuable than diamonds if it were uncommon. Bitcoin's users believe that if they accept it as payment, they will be able to use it elsewhere to buy whatever they want or need, which gives it value (Kelly, 2014). The valued object can be anything as long as the users continue to have this faith. The value of a bitcoin is embedded in its environment, similar to how the Native Americans used wampum, a seashell, as their form of money (Kelly, 2014). Bit coin and other crypto currencies are typically seen as being insulated from inflation brought on by changes to or limits imposed by national governments (Magro, 2016). As a result, investors have a "safe haven" to invest their money because it often does not depreciate due to inflation. Investors have witnessed numerous worldwide market crashes (usually due to political reasons), while the popularity and value of cryptocurrencies have risen. The phrase "Brexit," which refers to the recent British vote to leave the European Union, has gained popularity. Before the election, bit coin's price fell by over 15% (Bovaird, 2016). By recent occurrences, the reputation of bitcoin has become murky. Including Bit coin, stories like Silk Road can give a bad impression of digital currency in general. About a million users and hundreds of drug traffickers could transact in illegal drugs thanks to Silk Road, a hidden dark-net bazaar. Because of its semi-anonymity and lack of government tracking, bitcoin was their main form of payment. It operated from 2011 to 2013 and generated revenues of around \$1 billion USD (Bearman, 2015) the success of online markets has made them serious rivals to conventional brick-and-mortar retailers. Amazon.com has expanded to an almost astonishing extent. They have even started to employ "on-demand" delivery personnel who use their own vehicles to deliver common products (Saito, 2016). In the second quarter of 2015, roughly 23% of all transactions performed by Bit pay were for general online purchasing by individuals (Kasiyanto, 2016).

Demographic Description:



As per the analysis it can be interpreted as percentage of male investors are more when compare to female due to lack of financial independence.

Need for the Study

Crypto currency has received a lot of attention from media, financial institution, governmental institutions and venture capitalists. Investors are showing a great deal of interest in crypto currency. Lately, Crypto currency, a scrambled, shared organization for encouraging digital barter, has acquired prevalence among the financial backers in India. It is an innovation which was created eight years prior.

Statement of the Problem

Crypto prices are highly volatile. They can change by huge difference in just fraction of minutes or even seconds. Though it gives highest return but once it hits the bottom, investors can lose all they have in it. There are few investors of crypto currency in India. So, we wanted to study the reasons that hold people back from investing in crypto.

Objectives of the Study

- To understand whether the price fluctuations in Crypto are rational or not.
- To understand whether the Crypto prices are bubble or a steady trend.
- To understand why people do not want to invest in Crypto.
- To understand what is the investor's perspective regarding Crypto as an investment.

Hypothesis:

H0: Literacy rate influences on Investment decisions

H1: Literacy rate does not influences on Investment decisions

Tools used to analyze in the Paper:

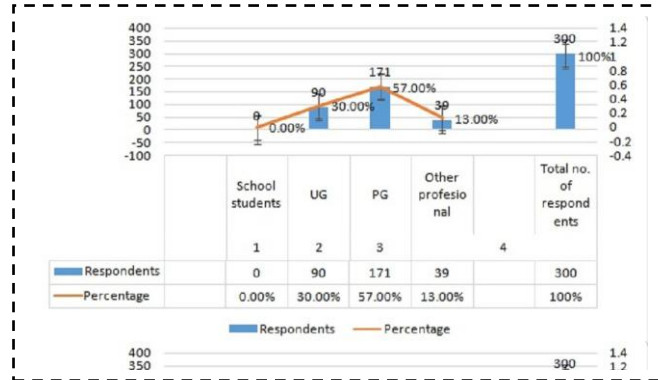
Data is being collected through structured questionnaire and Percentage analysis as well as SPSS software tools is used to analyze the data.

Sl. No.	Particular	Respondents	Percentage
1	School students	0	0.00%
2	UG	90	30.00%
3	PG	171	57.00%
4	Other professional	39	13.00%
Total no. of respondents		300	100%

Limitations:

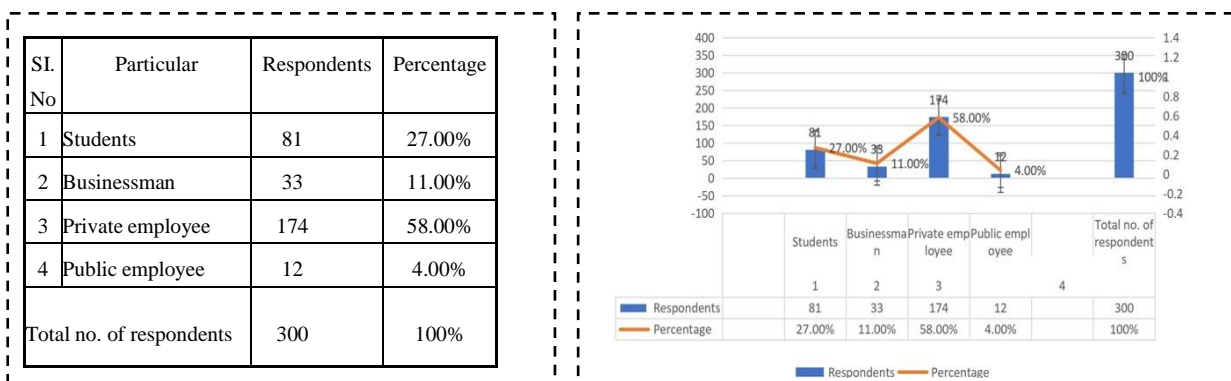
The research is restricted to one dimension of investigation due to the study's scope and time constraints. To clarify, although while the research examines a variety of investing behavior components, it regrettably skips a thorough examination of market- or economic dynamics. The study, for instance, provides a generalization of individual investors in general. Private investors from other cultures are not taken into consideration, which may have a significant impact on their investing decisions and behavior. Think about the various nations that might view crypto currencies for a variety of reasons, such as commodities or assets (Alfieri & Chokor, 2020, p. 159). Be aware that this paper will consider crypto currencies to be assets. The study will also not address outside variables that are out of one's control, such as political environments and market-specific legislation. As a result, the study 5 places more attentionon the factors of the business environment that affect investing behavior.

Table 1 & Graph 1 Showing the educational qualification of the respondents.



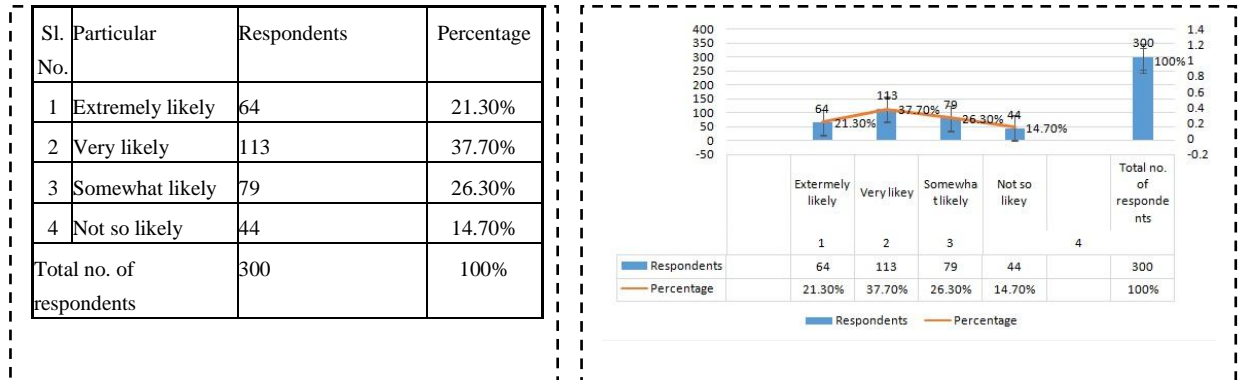
The above chart and table show Education qualifications of the respondents, out of 300 respondents 90 respondents are UG graduates and 171 respondents are PG graduates and 39 respondents are other professional courses.

Table 2 & Graph 2 Showing the occupations of the respondents.



The above chart and table shows Occupation of the respondents, out of 300 respondents 81 people are Students and 33 people are Businessman and 174 people are Private employee and 12 people are public employee.

Table 3 & Graph 3 Showing the frequency of investor’s investment in crypto currency in this year.



The above chart and table show Occupation of the respondents, out of 300 respondents 81 people are Students and 33 people are Businessman and 174 people are Private employee and 12 people are public employee.

Correlations

		Education Qualification	Willingness to invest into crypto currency
Education Qualification	Pearson Correlation	1	.863**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	120.330	159.510
	Covariance	.402	.533
	N	300	300
Willingness to invest into crypto currency	Pearson Correlation	.863**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	159.510	283.637
	Covariance	.533	.949
	N	300	300

** . Correlation is significant at the 0.01 level (2-tailed).

Conclusion:

As there is a significant at the 0.01 level under the test of Karl Pearson Correlation tool it can be accepted that there is a relationship between the literacy level and Investment decision, there is a impact of literacy level on making investment decisions.

References:

Coin Gecko: 360degree Market Overview of coins and cryptocurrencies. (2020). Retrieved from <http://coinecko.com>
 Coin Market Capitalization: Cryptocurrency Market Capitalization. (2020) Retrieved from <http://coinmarketcap.com>
 Dr. Anil Kumar V.V Swathy.P (March 2019). A Study on Opportunities and Challenges of Cryptocurrency in India with Special reference to Bitcoin. International Journal of Research and Analytical Reviews.
 Rahman, A., & Dawood, A. (2020). View of Bitcoin and Future of Cryptocurrency. Retrieved 16 August 2020, from [http:// 111. 93. 136. 232/ index](http://111.93.136.232/index).

Article- view/2112/1717.

Helms, K. (2020). Crypto Can Boost Indian Economy - How Banning Will Hurt it | Regulation Bitcoin News. Retrieved 12 August 2020, from <https://news.bitcoin.com/crypto-can-boost-Indian-economy-banning-will-hurt-it/>.

Gupta, S. (2020). Can cryptocurrency revitalize India's economy? Retrieved 16 August 2020, from <https://forkast.news/cryptocurrency-law-india-economy-legal-ban>.

Martucci, B. (2020). What Is Bitcoin – History, How It Works, Pros & Cons? Retrieved 16 August 2020, from <https://www.moneycrashers.com/bitcoin-history-how-it-works-pros-cons>.
<https://www.kaspersky.com/blog>