



A Study On The Flow Of Cryptocurrency Investment

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1.ABSTRACT :

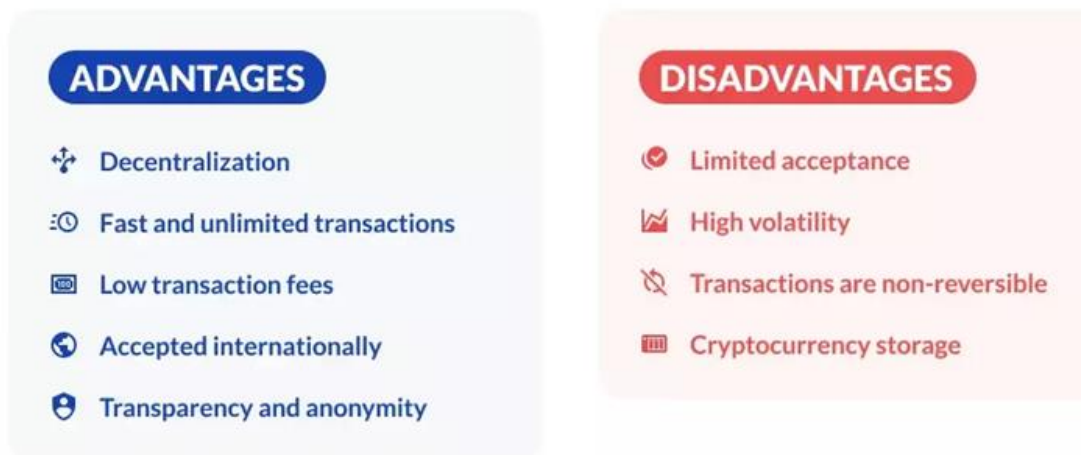
This master's thesis or dissertation "A study on Cryptocurrency Investment: The Good and The Bad". The explosion of virtual currency investment has hit the financial system and brought the Cryptocurrency to the global spotlight in recent year. Hitherto, there is not much research available on the systematically investigated the factors that influencing users' intention to invest in Cryptocurrency Investment.

Formed into six's chapters, the study advice a comprehensive analysis :1. Introduction, 2. Review of Literature, 3. Investors aware towards cryptocurrency, 4. Analysis of Results and Inferences, 5. Interpretations, and 6. Conclusions, Findings/Discussion & Recommendations.

2.Introduction:

Cryptocurrencies, investment strategies, and their correlation. Firstly, the background of this thesis is provided, focusing on the origins and early use of cryptocurrencies. Secondly, research problems are discussed to identify the research gaps in the relevant areas of individuals' willingness and ability to invest in cryptocurrencies. Thirdly, the research purpose is clarified, and the research question of this study is proposed.

Cryptocurrency is a digital payment system that doesn't rely on banks to verify transactions. It's a peer-to-peer system that can enable anyone anywhere to send and receive payments. Instead of being physical money carried around and exchanged in the real world, cryptocurrency payments exist purely as digital entries to an online database describing specific transactions. When you transfer cryptocurrency funds, the transactions are recorded in a public ledger. Cryptocurrency is stored in digital wallets. (<https://www.kaspersky.com/resource-center/definitions/what-is-cryptocurrency>)



(<https://mlsdev.com/blog/how-to-create-your-own-cryptocurrency>)

Objectives of the study:

- To aware the investors about Cryptocurrency Investment.
- To know that, how many people invest in Cryptocurrency.
- To determine the Cryptocurrency Market
- To know the consumer awareness towards Cryptocurrency Investment.
- To know the problems faced in Cryptocurrency Investment.

Research Methodology

Research is a common parlance refers to a search of knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic.

Research Process: This project started first knowing the actual scope of the project and understanding the need of this project. In other words, it can be said that first the purpose of the project was known and only after that actual planning and the real implementation was started. As the objective behind this project was to get the information about the investment pattern of the high return, net-worth individuals and to know the distribution channel through which they take most of their investment decisions. To extract this information a thorough planning had to be done, so I first started with designing the questionnaire for the normal public whom I was going to target and to know about their investment pattern. The main things to be known from the clients were:

- Turnover of the organization
- Their annual investment
- Their preference for the various investment instruments
- Their distribution channels

Literature Review

Following the rise of bitcoin in 2008, cryptocurrencies became the talk of the town. But even before Bitcoin, digital assets were around for many years. When digital money was created in 1989 by American computer scientist David Lee Chaun, the name "cryptocurrency" first arose. He protected and validated transactions using cryptography.

The successful development of cryptography techniques and software did not occur until the early 1990s. This allowed for the development of an entirely decentralized electronic money. Wei Dai, a computer engineer, presented "b-money" in a paper that was published in 1998. He presented the idea of a distributed, anonymous electronic money system.

Bitcoin is the original cryptocurrency (ticker BTC). It was created under the pseudonym Satoshi Nakamoto by an unidentified programmer, or group of programmers. The unidentified developer wanted to build a decentralized substitute for the conventional financial system that was the root cause of the 2008 global financial crisis.

Since the creation of Bitcoin, several digital currencies have entered the market; some of them have quite distinct use cases, while others aim to emulate the goals of the original cryptocurrency. For instance, the goal of the 2015 launch of Ethereum, the second-largest cryptocurrency by market capitalization, was to provide a network for smart contracts and decentralized apps, or dapps.

Over the past ten years, as the market has developed and flourished, Bitcoin has seen several ups and downs. Given that this asset is highly.

The Company/organization/system

Theoretical Framework

A cryptosystem is a framework or plan made up of a number of algorithms that securely encode or decode messages by converting plaintext to ciphertext. The word "cryptosystem" is short for "cryptographic system," and it describes a type of computer system that uses cryptography, which is a way to encrypt communications and information so that only the intended recipients can read and interpret it.

Cryptosystems use algorithms for key creation, encryption, and decryption processes to protect data. A cryptographic key is a string of bits that a cryptographic algorithm uses to convert plaintext into ciphertext or the other way around. It is the fundamental component of cryptographic operations. In order to perform this kind of operation, a cryptographic algorithm needs variable data, and part of that data is the key.

Components of Cryptocurrency system

- **Plaintext.** Unencrypted information that needs protection.
- **Ciphertext.** The encrypted, or unreadable, version of the plaintext information.
- **Encryption algorithm.** The mathematical algorithm that takes plaintext as the input and encrypts to ciphertext. It also produces the unique encryption key for that text.
- **Decryption algorithm.** The mathematical algorithm that takes ciphertext as the input and decodes it into plaintext. It also uses the unique decryption key for that text.
- **Encryption key.** The value known to the sender that is used to compute the ciphertext for the given plaintext.
- **Decryption key.** The value known to the receiver that is used to decode the given ciphertext into plaintext

(<https://www.techtarget.com/searchsecurity/definition/cryptosystem#:~:text=A%20cryptosystem%20is%20a%20structure,encode%20or%20decode%20messages%20securely.>)

Data Analysis & Inferences

DATA COLLECTION

Both Primary as well as Secondary Research Method has been included for preparing this final report.

PRIMARY SOURCE

- Observation
- Questionnaire

SECONDARY SOURCE

- Google search engine.
- Other weblinks
- Newspaper
- Research paper

Knowing the research methodology is crucial before deciding on the ontology and epistemology of a study. Grounded theory, which develops theory from gathered evidence, will be the research methodology used in this study. The researchers can conceptualize patterns and structures from a social context and draw inferences and hypotheses from them by employing grounded theory. Data Interpretation: What Is It?

The process of reviewing data and drawing pertinent conclusions by applying a variety of analytical techniques is known as data interpretation. In order to classify, alter, and summaries the data and provide important questions, researchers need to interpret their data.

It is clear how important data interpretation is, which is why it must be done correctly. It is quite probable that data will come from several sources and that its ordering will be random when it first enters the analysis process. The analysis of data is often highly subjective. That is to say, depending on the kind of data being examined, the nature and purpose of interpretation will differ from business to business. Although there are many different kinds of methods that are applied depending on the specifics of each data set, "quantitative and qualitative analysis" are the two most widely used and general categories.

The varying scales include:

- Nominal Scale: non-numeric categories that cannot be ranked or compared quantitatively. Variables are exclusive and exhaustive.
- Ordinal Scale: exclusive categories that are exclusive and exhaustive but with a logical order. Quality ratings and agreement ratings are examples of ordinal scales (i.e., good, very good, fair, etc., OR agree, strongly agree, disagree, etc.).
- Interval: a measurement scale where data is grouped into categories with orderly and equal distances between the categories. There is always an arbitrary zero point.
- Ratio: contains features of all three

Questionnaire on a study on Cryptocurrency Investment: The good and The Bad

Question 1: Name

Ans: 100

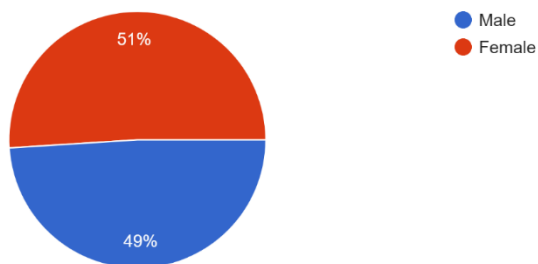
Interpretation

Successfully 100 responds, I received in this analysis "On a study on Cryptocurrency Investment: The good and The Bad".

Question 2: Gender

Response	No. of Response	% Response
Male	48	48
Female	51	51

2. Gender
100 responses



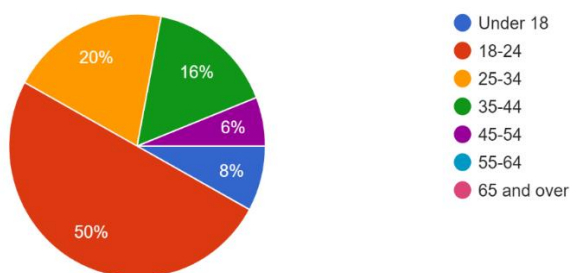
Interpretation

In this survey the No. of Male is 49% and No. of is Female 51%.

Question 3: Age

Response	No. of Response	% Response
18 - 24	50	50
25 - 34	20	20
35 – 44	16	16
45 - 54	06	06
55 – above	08	08

3. Age
100 responses



Interpretation

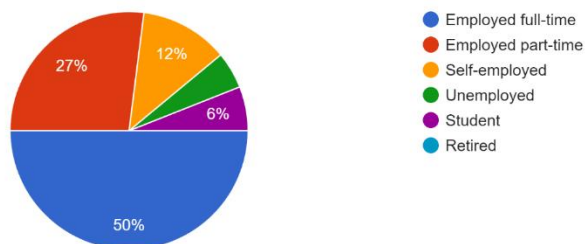
In this survey the highest no. of age group is between 18-24 which is 50% of the overall responds and the second highest age group is 25-34 which is 20% and the remaining % of age group is from 35-55 and above.

Question 4: Occupation

Response	No. of Response	% Response
Employed full-time	50	50
Employed part-time	27	27
Self-employed	12	12
Unemployed	05	05
Student	06	06
Retired	00	00

4. Employment Status

100 responses

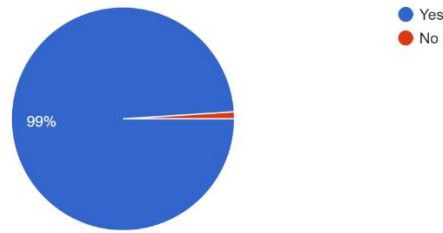
**Interpretation**

In this survey the maximum number of respondents are employed full-time which is 50% and 27% are employed part-time and 12% are self-employed, the remaining are in others category 11% and retired are 0%.

Question 5: Do you currently own any cryptocurrency

Response	No. of Response	% Response
Yes	99	99
No	01	01

5. Do you currently own any cryptocurrency
100 responses



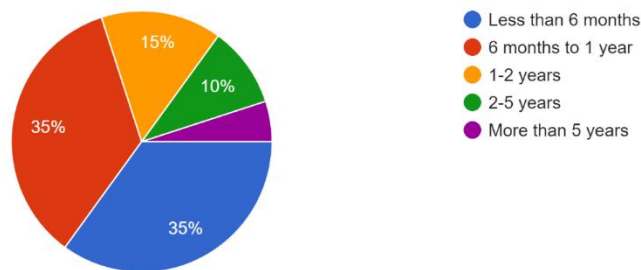
Interpretation

In this survey the No.99% of persons own any cryptocurrency.

Question 6: How long have you been investing in cryptocurrency

Response	No. of Response	% Response
Less than 6 months	35	35
6 months to 1 year	35	35
1-2 years	15	15
2-5 years	10	10
More than 5 years	05	05

6. How long have you been investing in cryptocurrency
100 responses



Interpretation

In this survey the maximum number of respondents, who investing in cryptocurrency are less than 6 months and 6 months to1 year which is 35% and 15% are investing in cryptocurrency 1-2 years and the remaining are investing more than 2 years are 15% .

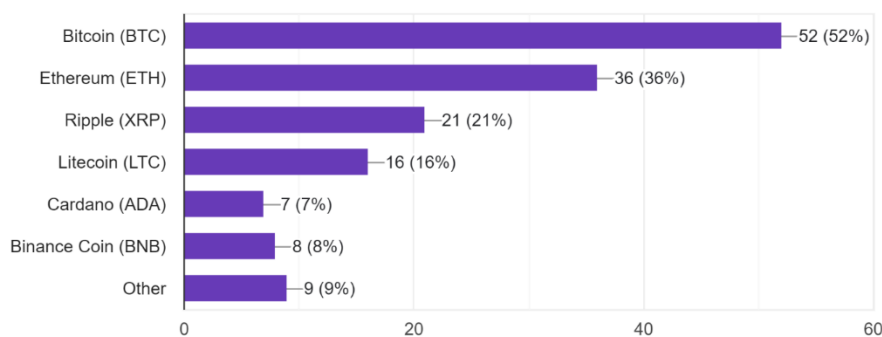
Question 7: Which cryptocurrencies do you currently own (Select all that apply)

Response	No. of Response	% Response
Bitcoin (BTC)	52	52

Ethereum (ETH)	36	36
Ripple (XRP)	21	21
Litecoin (LTC)	16	16
Cardano (ADA)	07	07
Binance Coin (BNB)	08	08
Other	09	09

7. Which cryptocurrencies do you currently own (Select all that apply)

100 responses



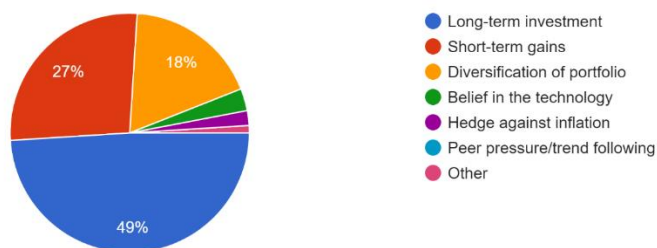
Interpretation

In this survey the maximum number of respondents own Bitcoin (BTC) which is 52% and second maximum is own Ethereum (ETH) which is 36%.

Question 8: What is your primary reason for investing in cryptocurrency

8. What is your primary reason for investing in cryptocurrency

100 responses



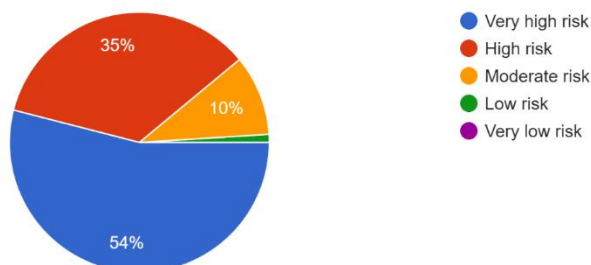
Interpretation

According to this survey, the primary reason for investing in cryptocurrency is long term investment which is 49%, short term gains which is 27%, and others are diversification of portfolio, hedge against inflation, peer pressure/trend following and others which is 24%.

Question 9: How do you perceive the risk level of cryptocurrency investment

9. How do you perceive the risk level of cryptocurrency investment

100 responses

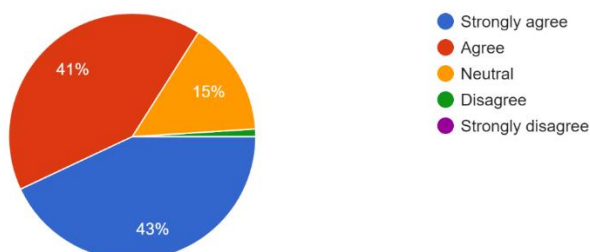
**Interpretation**

According to this survey, the risk level is very high which is 54% and 35% which is high risk. Means the cryptocurrency investment includes the risk factors.

Question 10: Do you think cryptocurrency should be more regulated

10. Do you think cryptocurrency should be more regulated

100 responses

**Interpretation**

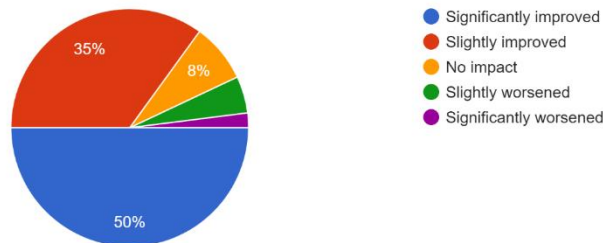
According to this survey, people are strongly agreed which is 43%, people who agree is 41% and others like neutral, disagree & strongly disagree is 16%.

Question 11: How has cryptocurrency investment impacted your financial situation

Response	No. of Response	% Response
Significantly improved	50	50
Slightly improved	35	35
No impact	08	08
Slightly worsened	05	05
Significantly worsened	02	02

11. How has cryptocurrency investment impacted your financial situation

100 responses



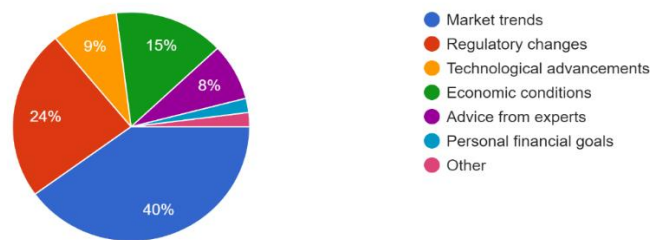
Interpretation

According to this survey report impact of cryptocurrency investment impact financial situation is significantly improved which is 50% of total, slightly improved is 35% and others like no impact, slightly worsened & significantly worsened is 15%.

Question 12: What factors would influence your decision to invest more in cryptocurrencies

12. What factors would influence your decision to invest more in cryptocurrencies

100 responses



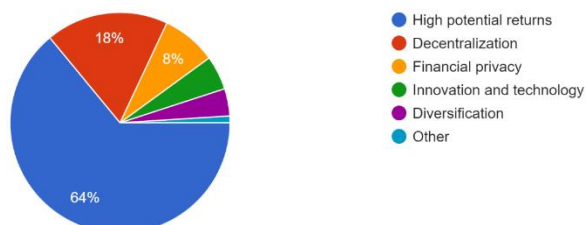
Interpretation

According to this survey, the factor which influence to invest more in cryptocurrency is market trends which is 40%, 24% due to regulatory changes, 9% due to technological advancements, 15% due to economic conditions, 8% due to advice from experts and 4% due to personal financial goals and others.

Question 13: What is the biggest benefit you see in cryptocurrency investment

13. What is the biggest benefit you see in cryptocurrency investment

100 responses



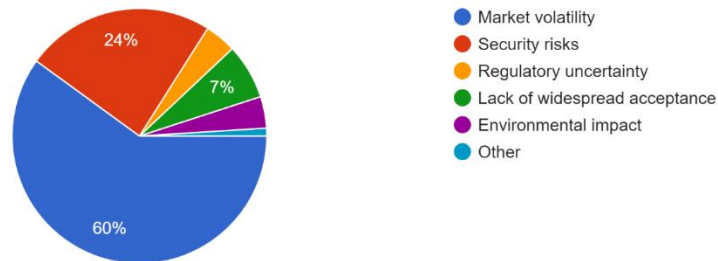
Interpretation

According to this survey cryptocurrency investment have high potential returns which is 64%, decentralization which is 18%, financial privacy which is 8% and 10% are innovation and technology, diversification and others.

Question 14: What is the biggest drawback you see in cryptocurrency investment

14. What is the biggest drawback you see in cryptocurrency investment

100 responses

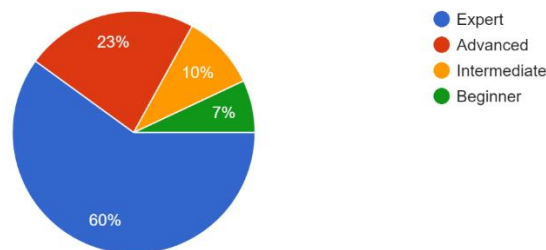
**Interpretation**

According to this survey the biggest drawback see in cryptocurrency is market volatility which is 60%, security risks which is 24% and others which is 16%.

Question 15: How would you rate your knowledge about cryptocurrency and blockchain technology

15. How would you rate your knowledge about cryptocurrency and blockchain technology

100 responses

**Interpretation**

According to this survey, 60% are experts, 23% are advanced, 10% are intermediate and 07% are beginner in cryptocurrency and blockchain technology.

Finding

This study has added to the relatively nascent field of cryptocurrency research, which, if successful, has the potential to completely alter the course of human history. This research offers a fresh viewpoint regarding both its geographic and private investor focus. It benefits governmental organizations as well because it gives voice to people's ideas regarding the obstacles and difficulties they see in today's CCs, such as slow implementation and taxing. The overall conclusions are consistent with earlier research, which the conducted interviews and the literature study both uncovered. After just a few interviews, it was clear that the thinking and outcomes were fairly similar, which led to very strong conclusions and few discussion points.

Limitations and future research

Based in Sweden, our study included participants who were knowledgeable about CCs. Since all of the participants were eager to contribute, the information concerning what discourages people from making CC investments was restricted. We suggest interviewing both individuals who have invested in CCs and those who have not for use in future studies. This will provide a clearer understanding of the reasons behind people's reluctance to invest in CCs.

Moreover, a constraint of the research was the restricted sample size. There will be fewer participants in a qualitative survey, but the answers' specifics will be more in-depth. This means that while the facts and information acquired for this study are highly accurate, it's likely that they are only true for a small subset of the population. To obtain a more comprehensive viewpoint on the subject in the future, a quantitative method could prove advantageous.

Conclusion

People invest in CCs for a variety of reasons, most likely quite a few. Nonetheless, based on the gathered data, the most logical deduction is that a large number of investment roadblocks stem from information gaps, access restrictions, and high risk. Another major reason why people choose not to keep investing in CCs after their initial investments is the government's lack of approval. Large taxes and low adoption make it challenging for investors to get the most out of their CC investments. The research revealed three investment pulls: the interviewees' interest, the possible profit, and the buzz. Given how erratic the credit card business is, there are several chances to benefit handsomely. On the other hand, volatility can also be beneficial.

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