

Awareness of Crypto Currency Among Youth

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Abstract

The article mainly deals with the awareness about Cryptocurrencies among the youth, with a view to examine the acceptance and of Cryptocurrencies among college students. The study was mainly limited to Changanacherry municipality which the study has been conducted by collecting primary data from 100 individuals. The method of sampling adopted is convenient sampling method. The primary data is collected from the respondents on a probability basis through preparation of questionnaire and the secondary data in relation to the study is taken from magazines, internet, newspapers. The data collected are analyzed with the help of tools of analysis namely tables, graphs, charts, percentages, ranking system. After all we conclude that there is considerable amount of interest among the youth about crypto currency but there is a considerable lack for sources of information and the know how about this sector. Thus, the lack of awareness is one of the major drawbacks that is limiting this sector in India. Crypto currencies are nowadays replacing normal cash transactions. The increased use of crypto currencies is bringing about many changes.

Crypto currencies are cheaper and faster and a cheap mode of money transfers and a decentralized systems that do not collapse at a single point of failure, therefore people have slowly started to prefer this system. Through crypto mining and trading, crypto currency can be a great potential for students to earn money while studying in colleges.

Key Terms Used: Digital ledger, Cryptography, Blockchain technology, Application-Specific Integrated Circuits (ASICs), Crypto Mining, Encryption

Introduction

We know that we begin with an era of barter system where we exchange commodities in place of commodities and after analysing the cons of barter system human invented gold, were we exchange gold to purchase something, but again we find the difficulties with gold-based exchange, we invented gold-based currency and later to the present era of Fiat currency. Does the human stopped the invention, no they again find the drawbacks of the fiat currency where they point out the main limitations, that it is under the control of a centralised system, the transaction should be based only on the presence of a bank, the transaction should be limited to an extent as prescribed by the bank and many more...

So, what is next, yes, it is to introduce a currency which is

1. Not under a centralised system
2. To eliminate the presence of the third party.
3. Endless transaction without any limit.

Keeping all this, Cryptocurrencies was introduced which is completely out of the legal compliance dealing with finance matters of any country. It is the common nature of people to resist something which is newly introduced, but accepting the fact that Cryptocurrencies will be considered as most convenient means of exchange in future, we have conducted this study to know how many of the youth are aware about the Cryptocurrencies and to make them aware about the importance of the same, in future.

A crypto currency is a digital currency designed to work as a medium of exchange through a computer network that is not depended on any central authority, such as a government or bank, to uphold or maintain it. The ownership records of individual records are stored in a digital ledger, which is a computerized database using strong cryptography to secure transactions and to control the creation of additional coins, and to verify the transfer of coin ownership. Despite their name, crypto currencies are not necessarily considered to be currencies in the traditional sense. They have been classified as commodities, securities, as well as currencies, crypto currencies are generally viewed as a distinct asset class in practice. Some crypto schemes use validators to maintain the crypto currency. In a proof-of-stake model, owners put up their tokens as collateral, in return, they get authority over the token in proportion to the amount they stake. Generally, these token stakes get additional ownership in the token over time via network fees, newly mined tokens or other such reward mechanisms. Crypto currency does not exist in physical form, and is typically not issued by a central authority. Crypto currencies typically use decentralized control as opposed to a central bank digital currency (CBDC). When a crypto currency is mined or created prior to issuance or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each crypto currency works through distributed ledger technology, typically a blockchain that serves as a public financial transaction database. Tokens, crypto currencies, and other types of digital assets that are not bitcoin are collectively known as alternative crypto currencies, typically known as "altcoins" or as "shitcoins". Paul Vigna of The Wall Street Journal also described altcoins as "alternative versions of bitcoin" given its role as the model protocol for altcoin designers. The term is commonly used to describe coins and tokens created after bitcoin.

A crypto currency is a tradable digital asset or digital form of money, built on blockchain technology that exists online. Crypto currencies use encryption to authenticate and protect transactions, hence there stands a matter of anonymity among the transactions. There are currently over a thousand different crypto currencies in the world. Bitcoin, is the first decentralized crypto currency. Since the release of bitcoin, many other crypto currencies have been introduced. A crypto currency is an encrypted data string that denotes a unit of currency. It is monitored by a peer-to-peer network called a blockchain, which is said to be the heart of crypto transactions. e.g., buying, selling, and transferring. Unlike physical money, crypto currencies are decentralized, which means they are not issued by governments or other financial institutions. Crypto currencies are created through cryptographic algorithms that are maintained and confirmed in a process called mining, where a network of computers or specialized hardware such as application-specific integrated circuits (ASICs) process and validate the transactions. The validation is done by the members of the network itself, who solve complex mathematical solutions to validate a transaction, the process is called mining and the members who validate the transaction is called miners. The miners in return will be rewarded with bitcoin from the central reserve.

In simple words, Crypto currency is defined as a type of digital currency that exists electronically or virtually and uses cryptography to secure transactions. The crypto currency doesn't rely on banks or any other central authority. It doesn't have a central issuing or regulating authority. It uses a special type

of decentralized system to record transactions. Crypto currency is a P2P (Peer-toPeer) system that allows anyone anywhere to send/receive payments.

Currently, crypto currencies are unregulated in India. Crypto investors in India were waiting for clarity on how the government plans to tax these assets. In Budget 2022, Finance Minister Nirmala Sitharaman announced that India will tax all “virtual digital assets” at 30% from April 1. Analysts see the 1% TDS (tax-deductible at source) applicable to every single transaction involving crypto as a problem.

The first type of crypto currency was Bitcoin, which to this day remains the most used, valuable and popular. Along with Bitcoin, other alternative crypto currencies with varying degrees of functions and specifications have been created. Some are iterations of bitcoin while others have been created from the ground up. Bitcoin was launched in 2009 by an individual or group known by the pseudonym “Satoshi Nakamoto”. As of March 2021, there were over 18.6 million bitcoins in circulation with a total market cap of around \$927 billion. The competing crypto currencies that were created as a result of Bitcoin’s success are known as altcoins. Some of the wellknown altcoins are as follows: Litecoin, Peercoin, Namecoin, Ethereum and Cardana.

Today, the aggregate value of all the crypto currencies in existence is around \$1.5 trillion—Bitcoin currently represents more than 60% of the total value.

Statement of the problem

The article titled ‘Awareness of Crypto currency among Youth’ is a project prepared to know about the review and opinion of college students about the increased use of crypto currency among students. This research also focuses on the extent of knowledge about crypto currencies and its framework among students.

Scope and Significance of the Study

Crypto currencies are nowadays replacing normal cash transactions. The increased use of crypto currencies is bringing about many changes. Crypto currencies are cheaper and faster money transfers and decentralized systems that have a less chance of failure as compared to ordinary online transactions, therefore people slowly start to shift to crypto transactions. Crypto mining and trading, crypto currency can be a great potential for students to earn money while studying in colleges.

The new corporation agreement between Starbucks, Microsoft, and ICE (International Exchange) agreed to accept crypto currency as a payment method. As per studies, the crypto currency adoption of the market has increased by over 880% between June 2020 to June 2021 worldwide. If we talk about the statistics in India then you will be surprised to know that within a year the nation has experienced a growth of about 400%. In India, around 15 million people have made an investment in private crypto currency holdings. There is a fascination in young people about crypto currency adoption. As per Finders, the young generation belonging to the age group of 18 to 34 that consists of more than 40% of users throughout the world.

NFT’s and Metaverse are also focusing on innovations based on the crypto currency framework which is sure to take the world by a storm in the coming decades and will change our lives as we know it. Thus, here exists a scope for further study for identifying the impact of crypto currency.

Objectives of the study

1. To examine about the awareness of crypto currency among college students with special reference to Changanacherry municipality after the implementation of demonetization.

Methodology

Survey research is the gathering of information from respondents for the purpose of understanding the impact in digital payments after demonetization among college students

Limitations of the study

1. Study was limited only to Changanacherry municipality.
2. Respondents were unwilling to answer the questions specified in the questionnaire.
3. The study was limited to 100 college students.
4. The study was based on memory recall method.
5. Converting qualitative data into quantitative data may often lead into inaccurate result

The Age of Crypto currency: How Bitcoin and Digital Money Are Challenging the Global Economic Order by Paul and Michael

In The Age of Crypto currency, Wall Street journalists Paul Vigna and Michael J. Casey deliver the definitive answer to this question. Cybermoney is poised to launch a revolution, one that could reinvent traditional financial and social structures while bringing the world's billions of "unbanked" individuals into a new global economy. Crypto currency holds the promise of a financial system without a middleman, one owned by the people who use it and one safeguarded from the devastation of a 2008-type crash. It is the writer's view that crypto currency is monumental and wide-reaching and a change-for better and for worse. But it is here to stay, and one must only ignore it at your peril. Vigna and Casey demystify crypto currency's origins, its function, and what you need to know to navigate a cyber-economy.

Tyler Cowen: an economist and writer who co-founded the popular blog, Marginal Revolution

Tyler says that he can see legitimate use cases with high benefits. And thinks there's a good chance they'll succeed. He is impressed by the high amount of talent in crypto work or the crypto movement. He believes that crypto currency is here to stay. Now, there's a lot of other crypto assets and thinks that most of those will disappear. There were many social media companies fifteen years ago also and many are not around but obviously social media is very much a thing. He says that we will end up with both centralized crypto and decentralized crypto, and they will serve quite different functions. Most noticeably he thinks of crypto not so much as a currency. He points out that we can't really use it to buy a coffee at Starbucks. They've been failing as that kind of currency. He thinks of them as new kinds of computers, new kinds of legal systems, and new ways of achieving reliable decentralized consensus. They're most analogous to advances in computing rather than some kind of monetary event.

Global-Crypto currency-Benchmarking-study Led by Dr. Garrick Hileman of University of Cambridge: it is the first study of its kind to holistically examine the burgeoning global crypto currency industry and its key constituents, which include exchanges, wallets, payments and mining. The findings are both striking and thought-provoking. First, the user adoption of various crypto currencies has really taken off, with billions in market cap and millions of wallets estimated to have been 'active' in 2016.

Second, the crypto currency industry is both globalized and localized, with borderless exchange operations, as well as geographically clustered mining activities. Third, the industry is becoming more fluid, as the lines between exchanges and wallets are increasingly ‘blurred’ and a multitude of crypto currencies, not just bitcoin, are now supported by a growing ecosystem, fulfilling an array of functions. Fourth, issues of security and regulatory compliance are likely to remain prevalent for years to come.

Crypto currency value formation: An empirical study leading to a cost of production model for valuing bitcoin Led by Adam.S.Hyes of University of Wisconsin: this paper aims to identify the likely determinants for crypto currency value formation, including for that of bitcoin. Due to Bitcoin’s growing popular appeal and merchant acceptance, the ability to value bitcoin and related crypto currencies is becoming critical to its establishment as a legitimate financial asset. Using cross-sectional empirical data examining 66 of the most widely used crypto currencies, a regression model was estimated that points to three main drivers of crypto currency value: the level of competition in the network of producers, the rate of unit production, and the difficulty of algorithm used to “mine” for the crypto currency. These amount to relative differences in the cost of production of one digital currency over another at the margin, pointing to differences in relative cost of production – electricity goes in, crypto currency comes out. Using that as a starting point, a no-arbitrage situation is established for Bitcoin-like crypto currencies followed by the formalization of a cost of production model to determine the fair value of a bitcoin.

Crypto currency Bitcoin: Disruption, challenges and opportunities Crypto currencies such as Bitcoin are a hot topic in the financial industry. Looking specifically at the purpose of crypto currencies for making payments, this paper aims to illustrate (1) the key challenges that crypto currencies must overcome to achieve widespread customer adoption, (2) the major risks regarding crypto currencies, when and how crypto currencies and their service providers will be regulated, (3) in their current state, what are the killer apps for crypto currencies, and (4) the more fundamental issues crypto currencies must address. In conclusion, while Bitcoin may not replace traditional and new payment methods to become a dominant alternative in the short term, banks should look at its underlying technology as a potential generic new way to transfer ownership of value in the longer term.

This study has been conducted by collecting primary data from 100 individuals. Its aim is to present the sample profile of the respondents and to study the awareness about crypto currency among college students. The result of analysis and interpretation is presented in the form of tables and charts.

Source of knowledge about crypto currencies

Particulars	Number of Respondents	Percentage
Internet	25	25%
Friends	10	10%
Seminars	2	2%
Media	63	63%
total	100	100%

Source: Primary data

Interpretation: From the table, out of 100 samples, 25% marked their source of information as the internet, while 10% marked friends and 2% marked seminars. 63% of the respondents were aware about crypto currencies with the help of different media.

Awareness about the availability of mobile applications

Particulars	Number of Respondents	Percentage
Yes	78	78%
No	22	22%
total	100	100%

Source: Primary Data

Interpretation: From the above table, 22% are unaware about the availability of mobile applications for crypto trading. However 78% are aware about such applications for crypto trading, which can be put down to the wide reaching televised advertisements by such mobile application companies

Awareness about the Software for investing in crypto

Particulars	Number of Respondents	Percentage
Coinbase	5	5%
Binance	4	4%
Coin DCX	8	8%
Others	5	5%
unaware	78	78%
Total	100	100%

Source: Primary Data

Interpretation: From the above table, we can observe that 5% knows coinbase, 4% knows binance, 8% knows coindcx and 5% knows other softwares for investing and trading crypto currencies. 78% are unaware of such softwares. From the table we can elucidate that the majority is unaware due to the limited knowledge about the crypto industry but there is substantial amount of new users through these new softwares who are starting to come into the sector.

Findings

Major findings of the analysis are

- Out of 100 samples, 25% marked their source of information as the internet, while 10% marked friends and 2% marked seminars. 63% of the respondents were aware about crypto currencies because of the media.
- Among 100 respondents only 22% has purchased crypto currency while the rest 78% have not purchased any form of crypto currency.
- Out of the 100 respondents, 22% are unaware about the availability of mobile applications for crypto trading. 78% are aware about such applications for crypto trading.
- Out of 100 respondents 10 % prefer to invest in Bitcoin, 8% prefer to invest in Ethereum, 2% prefer to invest in Litecoin, and 78% of people are unaware of crypto currencies

Major Suggestions of the Study

1. The government should take more initiatives and take steps for crypto currencies to be legalised and should be accepted as a means of exchange in shops, banks, and other financial areas to make it more acceptable

2. Training on the investment pattern reduce this risk to an extent. People should be trained on the matters like selling and buying of crypto currencies based on market conditions since the high risk in crypto currency is a major factor that drawback the investor.
3. The country should aim to introduce its own crypto currency. This will attract more investors and people will feel more secure than investing in other currencies.
4. Crypto currency is the future of investment. Therefore It is very essential to educate people on crypto currencies on topics like methods of investment, how to trade crypto etc. and promote awareness programs and start-ups related to the crypto sector

Conclusion

Crypto currencies are a hot topic in the global financial system. Their growth has been able to gain the attention of many speculators. The Indian Economy is cash orientated economy. The people prefer liquid cash and investment in liquid assets. But during the demonetization of 2016 the Indian economy was shattered at that decision. Small businesses where left for scrapes as they didn't have enough changes for the new 2000 rupees that was released. This decision had affected the sales and purchasing behaviour of the customers till date. After the demonetisation the Indian society slowly started to change in e-methods of cash transaction. This was the start of the new virtual economy in India. Crypto currency is the latest addition to this virtual economy. The crypto sector is still infant and there is much progress to be made. Through our study we can conclude that there is considerable amount of interest among the youth about crypto currency but there is a considerable lack for sources of information and the knowhow about this sector. Thus the lack of awareness is one of the major drawbacks that is limiting this sector in India. The government has started to realise the potential of the sector and has started by taxing profits from crypto trade. Investors believe in regulation, yet are worried about many of the impacts that regulation will bring about. They're ecoconscious, but crypto has a huge carbon footprint. The number of crypto currency investors has been steadily increasing around the world for a while, but recent growth has been explosive. Hence there is definitely a huge interest in the crypto sector according to our analysis and with the correct training, awareness and a regulatory framework which is supported by both the Reserve Bank of India as well as the government we can definitely conclude that crypto currency is here to stay for a long time. The crypto currency sector is seen to be entering the financial stage and changing the global financial landscape and has opened the doors of economic transformation.

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