# A PROJECT REPORT ON

**“A study on impact of cryptocurrency on investors**

# and Indian economy”

**Cryptocurrency**

* **INTRODUCTION:**

A cryptocurrency is a digital or virtual currency protected by cryptography which makes counterfeiting or doublespending almost impossible. Most cryptocurrencies are decentralized, blockchain-based networks — a public database operated by a dispersed computing network. One distinguishing characteristic of cryptocurrencies is that they are usually not distributed by any central agency, rendering them potentially resistant to intervention or abuse by the government. The term “crypto-currency” derives from the encryption methods used to protect the network.

Cryptocurrencies attract scrutiny for a variety of reasons including their use for illicit activity, exchange rate fluctuations, and network flows that underlie them. They were also praised for their portability, accountability and divisibility. Cryptocurrencies are almost always intended to be free of government influence and regulation, but this core feature of the technology has come under fire as they have become more common.

The currencies modelled after bitcoin are called altcoins collectively and have often attempted to present themselves as modified or improved versions of bitcoin. The first cryptocurrency based on blockchain was Bitcoin, which remains the most popular and valuable. Bitcoin was introduced in 2009 by a person or collective known as “Satoshi Nakamoto.”

As of November 2019, more than 18 million bitcoins were in circulation with a cumulative market cap of about $146 billion. Bitcoin is one of the first digital currencies to use peer-to- peer technology to enable online transfers. Some of Bitcoin’s success spawned competing cryptocurrencies, known as “altcoins,” including Litecoin, Peercoin, and Namecoin as well as Ethereum, Cardano, and EOS. Today the aggregate value of all existing cryptocurrencies is around $214 billion — Bitcoin currently accounts for more than 68 per cent of the total value. The top cryptocurrencies Here are the top cryptocurrencies in India. The cryptocurrency hype has traveled from the west and reached India, attracting investors with its high value. Be it, seasoned investors or novice enthusiasts, everyone wants to partake in a conversion about cryptocurrencies and give opinions. While many NRIs have good knowledge about the growing cryptocurrency market, Indians need to update themselves with the market news. 9 After the recent market dip brought by China’s crypto ban, the low crypto coin prices have caught the interest of Indian investors and skeptics. People, who were once against risking money in such a volatile market due to high prices, are now ready to make their first, albeit small cryptocurrency investment. For you to get started, here are the top cryptocurrencies to buy and hold in May 2021. As of today, the crypto market is in recovery, which makes this an ideal time to invest.

## Bitcoin (BTC) Price today:

INR 3,246,223 For Indians, Bitcoin is synonymous with cryptocurrency. And rightfully so, because this was the first and is the highest valued crypto in the market right now. After reaching an all-time high of about $65000 in April this year, the price started plummeting recently, thanks to Elon Musk’s tweet about Tesla not accepting Bitcoins anymore (initially, Tesla had decided to accept Bitcoins as a mode of payment). If you have the budget, now is the best time to buy Bitcoin as the price dropped by almost 30%.

## Ethereum Price today :

158,130.49 Ether, introduced in 2015, is presently the second-biggest digital currency by market value behind bitcoin, but it lags by a substantial margin behind the dominant cryptocurrency. Effective January 2020, the market value of ether is around 1/10 the size of bitcoins. Ethereum is focused on realistic smart contracts for the digitalisation of transactions used by several companies. Ethereum is a decentralized computing framework that enables the construction and running of Smart Contracts and Decentralized Applications without any third party interruption, theft, power or intervention. On Ethereum, the programs run on the platform-specific cryptographic token, ether.

## Binance Coin Price today:

INR 31,390 As per market capitalization, Binance Coin is the third-largest cryptocurrency, the first two being Bitcoin and Ethereum. In 2017, Binance Coin was launched by one of the world’s largest cryptocurrency exchanges Binance, as a utility token. Hence, the pricing of this crypto coin depends on its utility on the Binance platform. In simple terms, if more people use Binance Coin to trade other cryptos, its value will increase. Experts predict that by the end of May 2021, the price of one Binance Coin will hit $505

# REVIEW OF LITERATURE

* + **RELEVANCE IF THE STUDY:**
* This study is relevant to understand deeply the impact of cryptocurrency on investors decision making and the economy.
  + It plays vital role in financial investments nowadays and helps raising digital capital and does affects growth of economy.
* To meet the current requirements of the digital era and influence decisions of the investors.  Analysing the strengths and weaknesses of cryptocurrency in India.  Analysing the current position of cryptocurrency and its investors.
* Providing information about the economic position of the economy post introduction of cryptocurrency.
* Studying the change cryptocurrency have made on investors and economy.

# OBJECTIVES OF THE STUDY :

* The objectives of this study are as follows:  To learn the impact of cryptocurrency on Indian economy
* To study the current status of cryptocurrency in India and the future it holds
* To understand the significance of cryptocurrencies according to the perception of investors.
* To analyse the perception of investors towards cryptocurrencies.

 To study the factors considered by the investors & those which ultimately influence him while investing.

 To predict the future prospects of the cryptocurrency investment market.

 Examining the current profitability of various cryptocurrencies. Analysis helps in finding out the earning capacity and returns of cryptocurrencies.

# NEED OF THE STUDY

* This study will help us to gain knowledge about cryptocurrencies and its impact and will help us understand various topics such as-
* Will India have any positive financial leverage by the usage of Bitcoin?
* Should India say yes to Bitcoin?
* The crafting of this study is to make us have better understanding towards-
* Bitcoin, Lakshmi Coin and Cryptocurrency
* . This study provides an opportunity to develop analytical skills, technical skills and give exposure towards digital currency revolution.
* To give the overview of the cryptocurrency market in India.
* To find out the financial position of the company.
* To find out profitability of the company.
* To know the assessing operating efficiency.

# OVERVIEW OF THE STUDY:

Crypto-currency is such an invention which has become a global phenomenon. Earlier RBI warned the Indians from using cryptocurrency that to be associated with money laundering and terrorist financing. However, cryptocurrency is a modern technology and a tool which needs to look forward for. Even though there has been no regulatory response from the Indian government, the number of investors in cryptocurrency is increasing rather swiftly over the last few years. Indian government should take responsible steps now to regulate such currency as its user in India is rapidly growing. Future of cryptocurrency in India looks promising and there is ray of hope. Crypto currencies could provide a significant benefit by overcoming the lack of social trust and by increasing the access to financial services (Nakamoto, 2008) as they can be considered as a medium to support the growth process in developing countries by increasing financial inclusion, providing a better traceability of funds and to help people to escape poverty .