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Bitcoin Case Study

1. Two ways cryptocurrencies (e.g. Bitcoin) is different from traditional currencies (money):

* Lack the backing of an established government or financial institution.
* Transactions occur under an “anonymous” cloak.

1. Cryptocurrencies are favoured by criminals who hack computers and hold them for ransom (start ransomware attacks). They are also favoured by people who aim to move assets from countries that enforce currency exchange controls and by those individuals who what to avoid taxation. The reason as to why they are favoured by these people more is because it is more conspicuous to send people suitcases which are full of money then to send them bitcoins.
2. No, Bitcoin is not truly anonymous because each transaction performed is associated and comes with the information of the sender’s and receiver’s bitcoin wallet address. Anybody who wants to convert bitcoin currency into dollars, in order to spend the currency in the real word, has to eventually perform a transaction that associates their cryptocurrency wallet along with their bank account (and personal identity).
3. The bitcoin transaction-verification process involves some certain users who are known as “miners”. The task their computers to solve complex cryptographic problems.
4. The reason as to why Bitcoin is bad for the environment is because the complex cryptographic problems are a resource-intensive activity which is currently estimated to be about a tenth of 1 percent of the world’s energy consumption. It exceeds the amount of power used by all of Ireland.
5. An advantage of Bitcoin over other traditional money or services because the transaction takes less time compared to normal transactions.
6. A disadvantage of Bitcoin is that the cryptocurrency transactions can be pricy (recently peaking as high as $20 a transaction) which makes them virtually infeasible for small, routine and frequent purchases.
7. The social media payment method could take place on Facebook’s Messenger application and end with a simple click to transfer the money between friends.
8. Ways that social media payments are good:

* Saves time (don’t have to go to the bank)
* Convenient (can transfer money with just a click of a button)

1. Ways that social media payments are bad:

* May disrupt the role of traditional banks
* People who work in banks may lose their jobs because of social media payments taking over.
* May be unreliable

1. China is ahead of Canada/United States in the area of mobile payments because they have two rival social media payment services, WeChat and Alipay which have been hugely successful. Marieke Flament, director of Circle, an app that allows payments through text messages, believes that China has developed the model that the rest of the world will follow.
2. No, I don’t think social media payments should be allowed in Canada because although it may be convenient and would save time, the consequences such as people losing jobs, banks being disrupted, and unreliability can have big impacts. People who lose jobs can have a hard time finding new ones because of what they specialize in (banking) and because the population is increasing. Unreliability can put one’s money in danger because social media payment services have no guaranteed security/