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Cryptocurrency

Cryptocurrency seems to have taken over the world in the past few years and it looks like it is here to stay, but what even is cryptocurrency? A lot of people like to call it fake computer money or just a simple waste of time. There are a lot of questions people have about it, but I feel like it is going to be the future of money and it is all going to happen real fast. Cryptocurrency all started back in 2009 when the first ever bitcoin was created. Just like anything in 2009 bitcoin was not worth anything but now in 2021 one bitcoin is worth $56999.60, which is absolutely insane. To dive deeper into it lets talk about the beginning of money. At first people would go and trade what they had to get what they wanted, which was great but not all trades were the same or even fair. This led to people starting to use a currency of gold and silver to make it a little easier and fairer to get what you wanted because you were basically putting value on the object you were selling. Gold and silver worked out great for such a long time and no one really had a problem with it but then the government started to come up with a new type of currency which was paper cash. Paper cash made it so you did not have to carry around pounds of silver and gold; you could simply have a pocket full of paper bills that were worth just as much. The thing most people look past is the fact that the only reason dollar bills are worth what they are is because the government and the bank say it is worth that much. Now paper money is obviously still around but now people have found an even more convenient way to keep and spend their money which is through credit/debit cards and simply online. So many people do not even hold cash on them when they go out to buy something. This is simply the reason cryptocurrencies were even a thought because the world is moving towards a paperless future.

Now with your money being online and belonging to the bank the bank has complete control over when and where you can spend that money, that is where bitcoin and the cryptos shine. Bitcoin is completely open which means it gives you complete control over your money, no one can go in and freeze your account and no one can stop you from getting your money. Also, bitcoin is decentralized which means it’s not a single machine controlling everything, they have made it so that anyone who uses bitcoin has the ledger on their machine and that makes it so that if someone were to try and hack into bitcoin they would have to deal with every possible machine. Every machine has the same ledger, but they are all running test, and everyone can see if so even if you are trying to do something fishy it will catch it before you can even get started. Every possible thing about bitcoin is traceable and everyone has access to it beside who is sending and receiving the money which makes it very private to send and receive money, but everyone can see how it is all working.

With bitcoin being virtual it makes spending and receiving the money so much easier. With how banks and money work right now if you wanted to make a payment overseas you would have to go through the bank, and they would have to approve the transaction and then it still might be up to a week before that payment is made final. With Cryptos on the other hand they work instantly, you could make a payment from Detroit to Tokyo in seconds. Cryptos are trying to get rid of the middleman which are the banks, with the cryptos you will have complete control and there would be no worries about getting approved for anything or something not going through because the bank did not let it. It also means that there would be zero exchange rates, and zero interest rates because everything is all run on the same ledgers.

One huge thing cryptocurrency lets people do is called mining. Mining is not for everyone, and I am still trying to get a grasp of what it is. Basically, mining takes place on your computer, but it must be a very strong and capable computer. The computer will be working 24/7 and it is making guesses at the bitcoin equation and if it is able to make the right guess you will receive bitcoin for every right guess. Every time a correct guess is made that computer updates the block chain and sends out what it has done to every computer in the network, and they update also, and the cycle continues in a consistent loop. The stronger the computer the better the chance to get the correct answer, but it is never guaranteed that you will ever solve the equation needed to be rewarded. The way the process works is if more and more miners start mining for bitcoin, it will get harder and harder for the computers to find the correct answer. This is to make it fair and keep the number of bitcoins down there won’t be so much bitcoin out there that it’s not worth anything.

Now all of this sounds great, and it seems to be working well for the people who have bought in too cryptos but there are some flaws. The main flaw that I see is the fact that there are over 6000 different cryptocurrencies in the world as of right now. I feel like people would all have to be on one for it to work the way that they want it to work. Yes, there are different forms of money all over the world and that works great but the fact of the matter is that cryptos are supposed to eliminate exchange rates and make the transfer of money instant. If every country has its own currency, then what is the point of changing anything. Also, a big concern is the fact that they want cryptos to be in complete control by the people. This sounds amazing but when you start making bigger purchases you need it to go through someone, someone must be able to say now we cannot do that. It cannot be completely free or else people will overuse that power real fast. I believe that it is very possible cryptos will be the way of the future but there will be a lot of stuff to be figured out before they can make it the currency for everyone.