**Discussion Finance**

Name

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Course

Instructor

Date

**Discussion**

A cryptocurrency is more of a digital currency whereby currency is secured in cryptographic systems and can equally be used in making safe transactions without going through mediators. One of the major advantages of cryptocurrencies is that they are not regulated by any central government; thus, they are immune to any interventions that could be made by any government. Most of the cryptocurrencies are decentralized networks which means that they are not based on any network, making them a safer form of investment. Investing in crypto will assist in inflation protection which is a safer way to protect the investment that one could have made (Trushina, 2019). Despite the rise in the growth of money, which affects the supply of bitcoin, the prices still increase, which is a way of safeguarding the currency against inflation. When the price of a bitcoin rises, it means that the value will rise to ensure that the currency gets to meet the demand and also to ensure that there is prevention of inflation in the long run. Another advantage of cryptocurrencies is that the transactions are cost-effective, which makes it easier to transfer funds globally. The transactions need no third party, which makes them much easier to utilize. Another advantage is that it is a safe and secure way to store your money as no one can get access to it unless they have the private key to the crypto wallet, which one has to ensure that they keep safe. However, there are still the disadvantages that come with cryptocurrencies. Cryptocurrency is claimed to be an anonymous form of transaction though they leave a digital trail that can be decoded by the Federal Bureau f Investigation, which means that there is still a chance for the federal authorities to interfere with the transactions made. There are no policies governing cryptocurrencies which is a huge disadvantage.

The main advantage of stock investment is the better overtime returns which give the investor a chance to watch their investment grow with time. In stock, there is the payment of dividends which means that the investors will receive dividends which are measured by the amount of profits that they have made with the investment (Rao, 2020). The stock market provides portfolio diversification which offers investors a wide range where they get to choose the securities that they wish to invest in depending on their risk tolerance as well as their financial objectives. Transparency is equally very high when it comes to the stock market, as the monies are transacted through the stock exchange board. However, the stock market can pose a business risk, especially if the company that an individual had invested in is not in a position to generate profits or sales. Another disadvantage is the market danger which is affecting the financial markets and which have led to most of the individuals suffering more losses than they had expected.

If I had $100,000 to invest, I would put the money in both platforms. In as far as cryptocurrency has its own disadvantages and risks, it is a good platform to avoid international inflation, especially when one focuses on investing in the international market. Also, I will have the other half in the stock market due to the higher guarantee of earning profits and also because I can easily monitor the progress of the stick depending on the company that I Invest in. I agree with the idea that the market will not be the same in 2023 for the bitcoin market, which makes it worth the risk (Caferra, 2021). However, for investment, I believe it is essential to diversify to different investment platforms.

# References

Caferra, R. &.-T. (2021). *Who raised from the abyss? A comparison between cryptocurrency and stock market dynamics during the COVID-19 pandemic. Finance Research Letters, 43, 101954.*

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