

# CRYPTOCURRENCY INVESTING (Part 1 of 6)

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## Topics for the 6 classes-

- 1) Why are cryptocurrencies needed?
- 2) Types of cryptocurrencies
- 3) How do crypto exchanges work?
- 4) Investing in cryptocurrencies
- 5) Storage & HODLing
- 6) Crypto - Future in India

## # WHY ARE CRYPTOCURRENCIES NEEDED?

### → History

- Barter system & associated problem
  - impossible to divide in parts
  - storage & carrying issues
  - lack of standard exchange
- To solve this - gold was introduced
  - ↓
  - & later currency as a medium of exchange } gold standard of currency

### BOOK RECOMMENDATIONS (History of money)

- 1) The Psychology of Money - Morgan Housel
- 2) Sapiens - Yuval Noah Harari

- Currency — central authority  
(central banks, governors, etc.)

Challenge — because it is upto them to print new currencies or in general to take any major decisions regarding the currency

too much money in the mkt → value of money declines because now the people are willing & able to pay more for the same thing

INFLATION ←

## ⇒ PROBLEM WITH CENTRALISATION

- 1) quantity of currency can increase according to someone's wishes
- 2) any currency can be demonetised



This led to the idea of **DECENTRALIZATION OF CURRENCY**

- owned by no one
- currency is genuinely spread out in a democratic manner



## CONCEPT OF BLOCKCHAIN & CRYPTOCURRENCY

- 31st October 2008 - a research paper was released by **Satoshi Nakamoto**
  - talked about Bitwin for the first time
  - how it could be a way of having a decentralized currency.

∴ The main reason why crypto is needed is because the currency we use currently, FIAT currency is fully centralized, i.e. controlled by a single authority  
 Whereas, crypto is not controlled by anyone

## CONVERSATION WITH NISCHAL.

- cryptocurrency is not a blanket currency → not all cryptos are currencies
- crypto is not to kill the regular / FIAT currency
- FIAT currency - unlimited supply - offline - central authority
- crypto - online - no barriers - no one can own it
- eg.) Bitcoins - 21 million in total - the value of the bitwin you have is confirmed → store of value

regular currency  
 it cannot be a store of value because you are adding value but you are also printing more currency  
 ⇒ the value is not conserved



## → Cryptocurrencies

- democratic

- you get freedom

↓  
more options available

no options available in FIAT currency

⇒ OPTION B → BITCOIN

↓  
- extension of your economic freedom

- if you feel that you want to hedge in a currency, because you don't want to put everything in one basket, you have a decentralized option now - you can invest here