A question so many people want the answer to:

Will Cryptocurrencies Continue To Have Value?

The reason this question comes up many times is due to the fact that Cryptocurrencies, have no physical denominations what so ever. They only exist digitally, in between computer systems. Of course, with some Cryptocurrencies like Bitcoin, we know their limited in creation to 21 Million Bitcoins, so it creates that scarcity. As with many scare resources, the value is deemed to rise as it becomes ever more scarce.

Economics teaches us that items have a certain economic value simply because, there are people who desire them, hence are willing to part with their currency to have that item. It’s based purely on the premise of Supply and Demand.

The higher the demand, and lower the supply, inevitably the more valuable something will become. That’s built into a Cryptocurrency like Bitcoins fundamentals, by having that hard cap of 21 Million Bitcoins.

If you think back to previous societies, where cattle was considered a medium of exchange. It was very hard to put a price upon that, for then, which to trade with. As not everyone wanted to accept cattle in exchange for their product, hence why society gradually transitioned to Gold. But it was only when Gold became widely accepted was it referred to as a Currency.

Moving forward to todays society, many argue the fact the GBP or USD note you have in your pocket doesn’t have any intrinsic value, and they’d be right. Why you might ask? Well, the Dollar as example isn’t backed by the Gold Standard anymore. So there is nothing more than a promise backing the amount that note is said to be valued at.

Whereas before governments could only print as much Gold as they held, once that Gold Standard was abolished, the printing of money became limitless!

Hence putting this very simply, certain Cryptocurrencies are deemed to have sustained value because, they’re a scarce resource which many individuals deem to have value, which is accepted by many merchants!

So that’s everything on this brief lecture with, Will Cryptocurrencies Continue To Have Value? With helping you to understand where the value exists. I look forward to seeing you in the next lecture of this course, where we’ll show you how to use cryptocurrencies anywhere.