BITCOIN DIGITAL CRYPTOCURRENCY
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What is Bitcoin?

- A type of cryptocurrency (digital currency) created in January 2009. It follows the ideas set out in a white paper by the mysterious Satoshi Nakamoto, whose true identity has yet to be verified.

What is Bitcoin?

- Operated by a decentralized authority, unlike government-issued currencies.
- Bitcoin offers the promise of lower transaction fees than traditional online payment mechanisms.
- Not issued or backed by any banks or governments, nor are individual bitcoins valuable as a commodity.

- Not physically available Not a
- legal tender

SIDE NOTE:

According to the official Bitcoin Foundation, the word "Bitcoin" is capitalized in the context of referring to the entity or concept, whereas " bitcoin" is written in the lower case when referring to a quantity of the currency (e.g. "I traded 20 bitcoin") or the units themselves. The plural form can be either "bitcoin" or "bitcoins."

Blockchain or Distributed Ledger Technology (DLT)

- tracks ownership and allows for immediate and efficient transfers of Bitcoin.
- makes Bitcoin completely transparent; it stores complete details by an address of every transaction that ever occurs.

Mathematical encryption

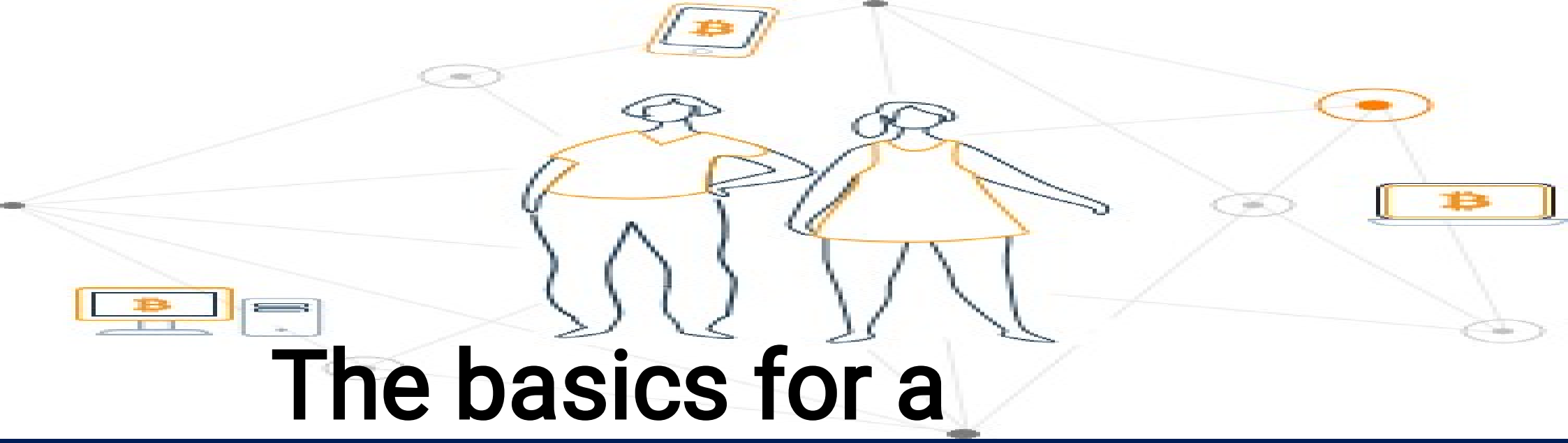
Public keys

- comparable to a bank account number
- serves as the address which is published to the world and to which others may send bitcoins.

Private keys

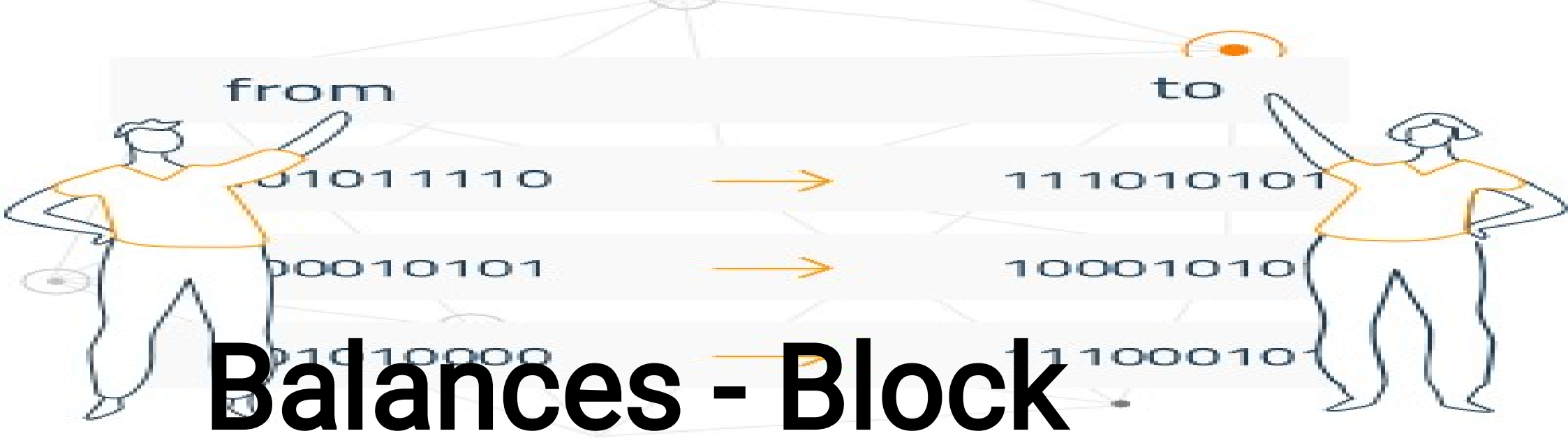
- comparable to an ATM PIN
- meant to be a guarded secret, and only used to authorize Bitcoin transmissions.

How does Bitcoin work?



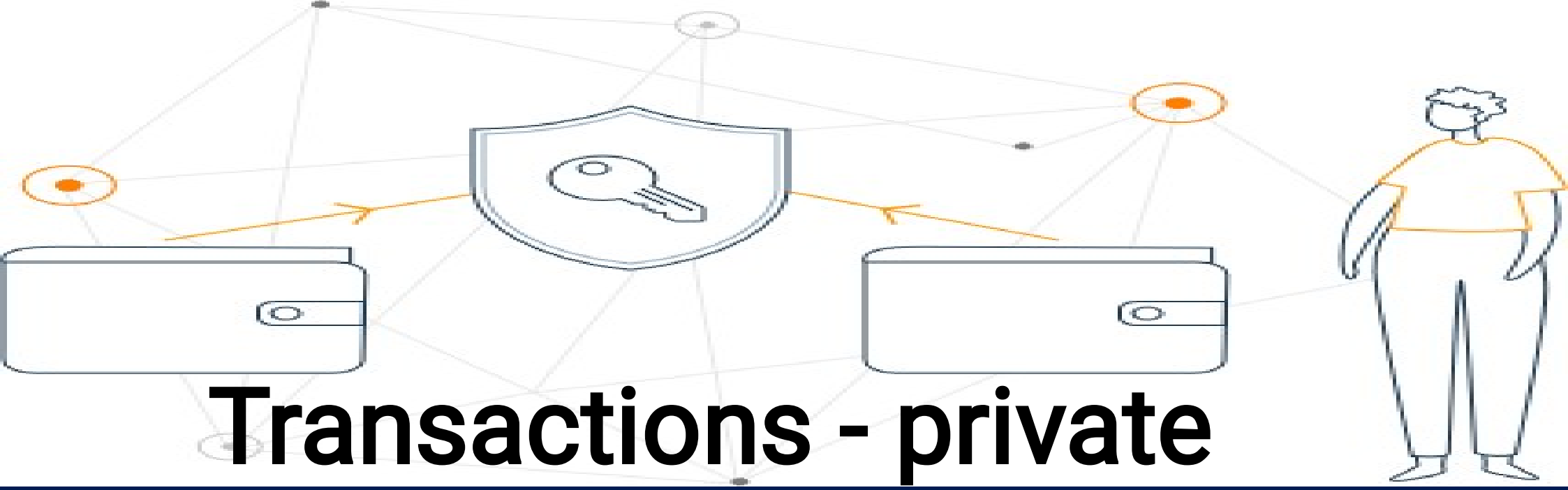
The basics for a n e w u s e r

As a new user, you can get started with Bitcoin without understanding the technical details. Once you've installed a Bitcoin wallet on your computer or mobile phone, it will generate your first Bitcoin address and you can create more whenever you need one.



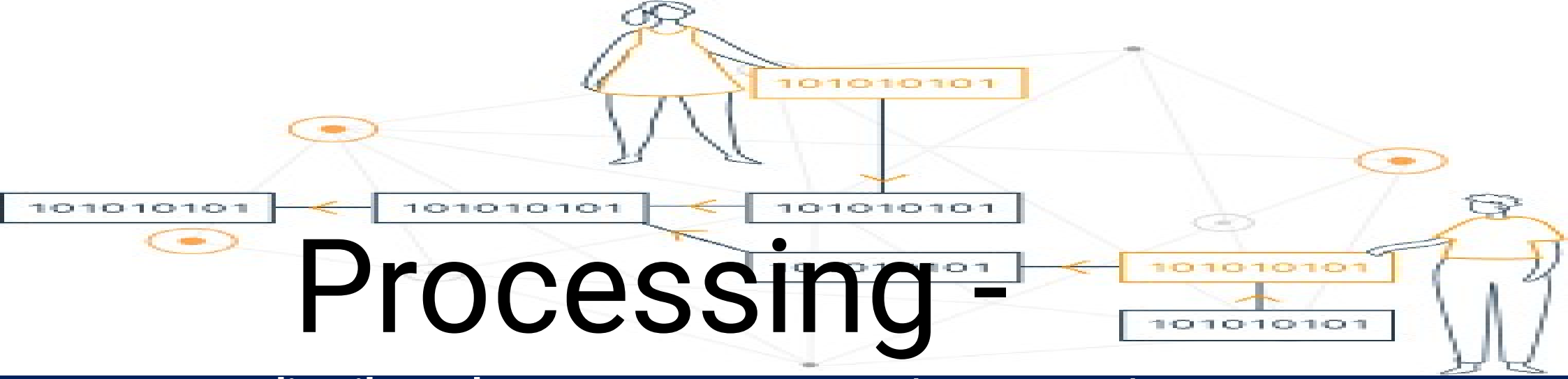
Balances - Block chain

The block chain is a **shared public ledger** on which the entire Bitcoin network relies. All confirmed transactions are included in the block chain. It allows Bitcoin wallets to calculate their spendable balance so that new transactions can be verified thereby ensuring they're actually owned by



Transactions - private keys

A transaction is **a transfer of value between Bitcoin wallets** that gets included in the block chain. Bitcoin wallets keep a secret piece of data called a *private key* or seed, which is used to sign transactions, providing a mathematical proof that they have come from the owner of the wallet.



Processing - Mining

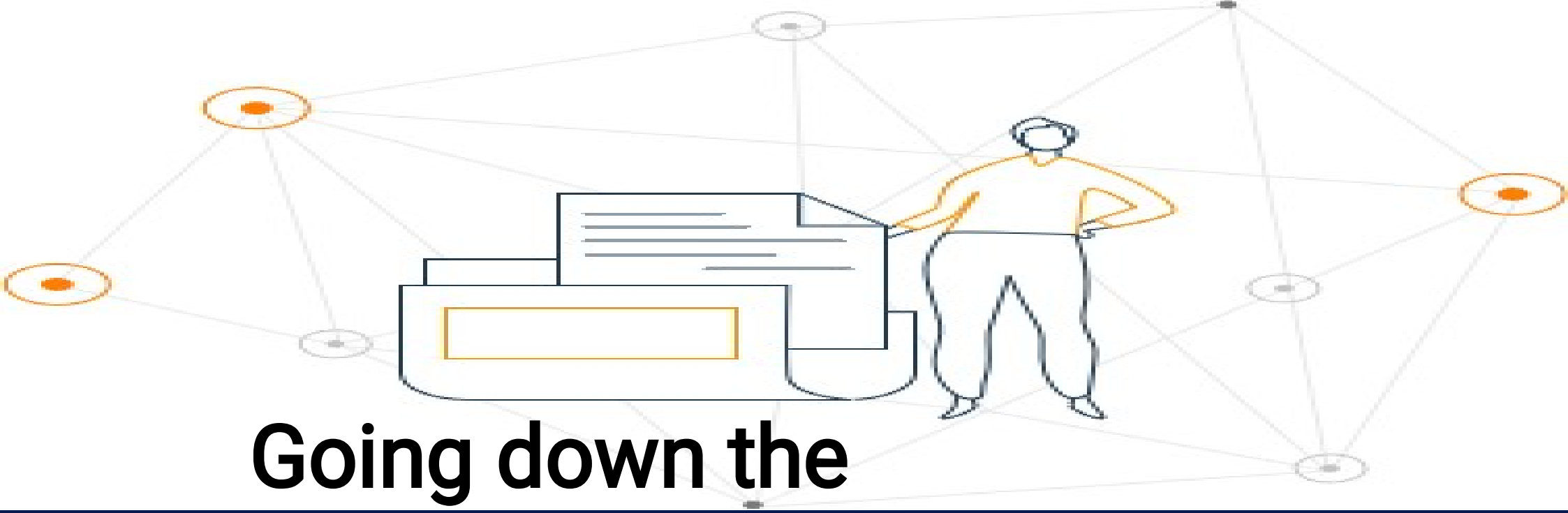
Mining is a **distributed consensus system** that is used to *confirm* pending transactions by including them in the block chain. It enforces a chronological order in the block chain, protects the neutrality of the network, and allows different computers to agree on the state of the system. Mining also creates the equivalent of a competitive lottery that prevents any individual from easily adding new blocks consecutively to the block chain

Product P

Feature 1

Feature 2

Feature 3



Going down the Rabbit Hole

This is just a short summary of Bitcoin.

How to get a Bitcoin Wallet?

1.Install 2.Sign-up
3.Log-in
4.Buy Bitcoins 5. Mine
6.Pay

BITCOIN: HOW IT BEGAN?

AUGUST 18, 2008 – The domain name bitcoin.org is registered

OCTOBER 31, 2008 – Satoshi Nakamoto

JANUARY 3, 2009 – *"Genesis Block"* of bitcoin

JANUARY 8, 2009 – The first version of Bitcoin software

JANUARY 9, 2009 – Block 1 is mined, and bitcoin mining commences in earnest.

History and Timeline of Bitcoin

1998-2009 Pre-bitcoin

B-money Bit Gold

Years

2007 Legendary Mr. Satoshi Nakamoto

Began formulating

History and Timeline of Bitcoin

2008 Mr. Nakamoto

Aug. 18 SourceForge.com

Oct.31 Bitcoin-A Peer-to-Peer eCash System

2009 Bitcoin Begins

Jan. 9 First Transaction between Satoshi and Hal Finney

Jan. 12 US$ 1 = 1, 309.03 BTC

Oct. 12 #bitcoin-dev hits freenode

Dec. 16 Version 0.2 is released

History and Timeline of Bitcoin

2010 Bitcoin is Valued

Feb. 6 Currency exchange is born

May 10 Swap 10, 000 BTC for 2 pizzas

July 7 Version 0.3

July 17 MtGox is Establish

Aug. 15 Exploit generates 184 B BTC

Dec. 7 Bitcoin for Nokia N900

History and Timeline of Bitcoin

2011 Rival of Cryptocurrencies Emerge

Namecoin and Litcoin

Feb. 14 Vehicle offered for bitcoins

July 7 Major breach at MtGox

June 12 Great Bubble

June 13 Largest Bitcoin Theft

History and Timeline of Bitcoin

2012 Bitcoin Hacked

Dec. 6 Bitcoin Central licensed as a bank

2013 Bitcoin Price Crashes

Nov. 29 Bitcoin Black Friday

Dec. 5 China's Central Bank bans BTC Transactions

History and Timeline of Bitcoin

2014 Scams and Theft

Jan. MtGox disappears

2016 Euthereum and ICOs.

Ether a cryptocurrency that facilitates blockchain-based smart contract and apps

Initial Coin Offerings (ICOs)

History and Timeline of Bitcoin

2017 Bitcoin reaches $10,000 and continues to grow

Why is Satoshi Nakamoto Anonymous?

The Suspects

- Oct 10, 2011 – Michael Clear
  - Vili Lehdonvirta
- Oct 11, 2011 - Neal King, Vladimir Oksman and Charles Bry
- May, 2013
  - Gavin Andresen
  - Jed McCaleb
  - Shinichi Mochizuki

The Suspects

- Dec, 2013- Nick Szabo
- March, 2014 – Satoshi Nakamoto

What proof is needed to identify Satoshi Nakamoto?

1.) Registration of bitcoin.org

2.) Emails and forums used by Satoshi Nakamoto

3.) ownership of some earliest mined bitcoins

INVESTING IN BITCOINS

Internal Revenue Service – IRS

is a U.S. government agency responsible for the collection of taxes and enforcement of tax laws

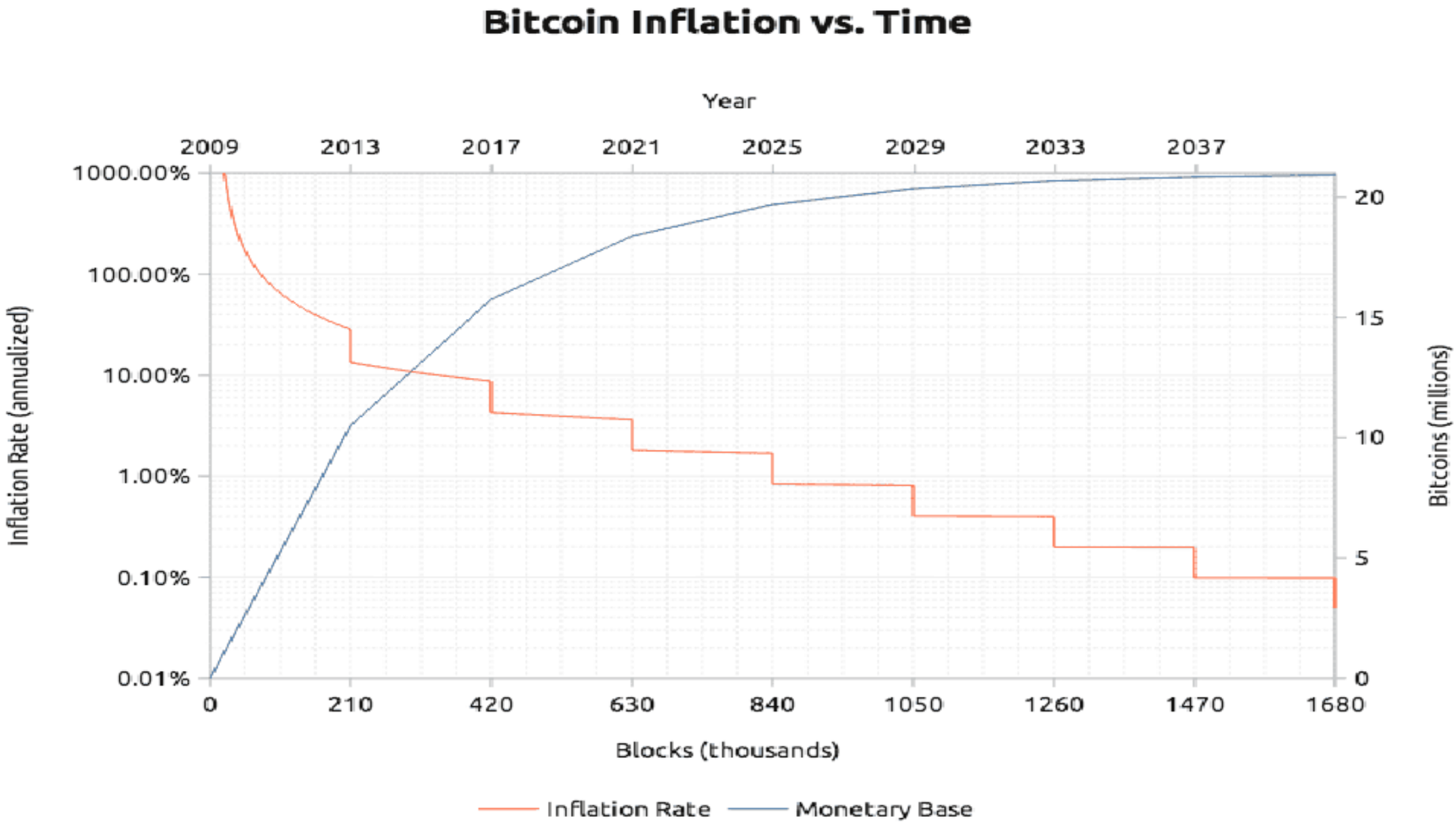
March 2014

- all virtual currencies, including bitcoins, would be taxed
as property rather than currency.

THINGS TO KNOW BEFORE INVESTING IN BITCOIN

Why Invest in Bitcoin?

- Bitcoins are scarce and useful.
- 21 million Bitcoin Bitcoin provides sound and
- predictable monetary policy that can be verified by anyone.


Bitcoin Inflation vs. Time
Year
2009
2013
2017
2021
2025
2029
2033
2037
1000.00%
100.00%
10.00%
1.00%
0.10%
0.01%
Inflation Rate (annualized)
20
15
10
5
0
Bitcoins (millions)
0
210
420
630
840
1050
1260
1470
1680
Blocks (thousands)
Inflation Rate
Monetary Base

When is the right time to buy?

- nothing is for sure.
- Use tools like Bitcoin Wisdom or Cryptowatch to analyze charts and understand Bitcoin's price history. Bitcoin is global and
- not affected by any single country's financial situation or stability.
  global scale and not just about what's happening in a
- single country.

How to Invest in Bitcoins and

Where to Buy

- The difficulty of buying bitcoins depends on your country. Developed countries have more options and more liquidity.
- Coinbase is the world's largest bitcoin broker and available in the United States, UK, Canada, Singapore, and most of Europe.
- You can use our exchange finder to find a place to buy bitcoins in your country

How to Secure Bitcoins?

- **Ledger Nano S –** Ledger is a Bitcoin security company that offers a wide range of secure Bitcoin storage devices. We currently see the Ledger Nano S as Ledger's most secure wallet. Read more about the Ledger Nano or buy one.
- **TREZOR –** TREZOR is a hardware wallet that was built to secure bitcoins. It generates your Bitcoin private keys offline. Read more about TREZOR or buy one.

Should you Invest in Bitcoin Mining?

- Bitcoin miners are no longer a profitable investment for new Bitcoin users.

PROS

- Greater liquidity as compared to its peer Full
- acceptance and popularity among the people
  Virtual transactions easier than regular currencies
- Lower transaction fees
  Privacy and anonymity in relative to traditional
- currencies
- No dependency on creators or political agents
  Scarcity makes it more precious
-
-

CONS

- Delayed transactions
- Dark marketplaces are working towards the damage
- Susceptible to price swings
- No recovery once the private key is lost, its lost forever
- Maybe replaced by potential cryptocurrencies

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How to Invest in Bitcoins?

Part I: Buying and Selling BTC

1.Create a Bitcoin wallet.

2. Link your bank account to your wallet

3. Buy BTC with money from your bank account.

4. Use your Bitcoin to buy from retailers that accept it

- Amazon
- Wordpress
- Overstock.com
- Bitcoin.travel
- Victoria's Secret
- Subway
- Zappos
- Whole Foods

5. Sell your Bitcoin to another user.

wikiHow to Invest in Bitcoin

6. Alternatively, sell your Bitcoin on an exchange.

How to Invest in Bitcoins?

PART II: USING ALTERNATE OPTIONS

1. Consider setting up a regular purchase scheme

2. Consider buying Bitcoin locally.

wikiHow to Invest in Bitcoin

3. Consider buying into a Bitcoin investing company.

4. Consider "mining" Bitcoin.
wikiHow to Invest in Bitcoin

How to Invest in Bitcoins?

PART III: MAKING MONEY ON YOUR INVESTMENT

1. Buy low, sell high.

2. Stay up-to-date on Bitcoin market trends.

wikiHow to Invest in Bitcoin

3. Use Bitcoin wealth to purchase more stable investments

4. Never put more money into Bitcoin than you can afford to lose

Final Thoughts!!!

It’s important to understand how Bitcoin works before investing any money.

Ways to Earn Bitcoins

RECEIVING AS PAYMENT

- Can be accepted as a means of payment for products sold or services provided
- " Bitcoin Accepted Here"

Ways to Earn Bitcoins

WORKING FOR THEM

➢Those who are self-employed can get paid for a job in bitcoins *Websites / Job Boards which are dedicated to digital currency*

- Work for Bitcoin
- Coinality
- Jobs 4 Bitcoins & BitGigs

Ways to Earn Bitcoins

GAMBLING

➢it's possible to play at casino that cater to bitcoin aficionados

e.g. online lotteries, jackpots, spread betting, and other games

Ways to Earn Bitcoins

INTEREST PAYMENTS

➢Lending of bitcoin and being repaid by the same currency

3 FORMS

1. Direct lending to someone you know
2. Pairing borrowers and lenders
3. Lending bitcoins in a virtual bank

Risk of Investing in Bitcoin

Security Risk

- Bitcoin exchanges are entirely digital and, as with any virtual system, are at risk from hackers, malware and operational glitches.

Risk of Investing in Bitcoin

Fraud risk

- While Bitcoin uses private key encryption to verify owners and register transactions, fraudsters and scammers may attempt to sell false bitcoins.

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Tax risk

- As bitcoin is ineligible to be included in any tax-advantaged retirement accounts, there are no good, legal options to shield investments from taxation.

Risk of Investing in Bitcoin

Regulatory Risk

- Bitcoins are a rival to government currency and may be used for black market transactions, money laundering, illegal activities or tax evasion.

Risk of Investing in Bitcoin

Insurance Risk

- Bitcoin exchanges and Bitcoin accounts are not insured by any type of federal or government program.

Risk of Investing in Bitcoin

Market Risk

- Like with any investment, Bitcoin values can fluctuate. Indeed, the value of the currency has seen wild swings in price over its short existence.