**How Much is Bitcoin Worth: Pricing Differences Across Exchanges and Time**

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**1: Introduction and Motivation**

When someone wants to buy bitcoin, there are a variety of ways for that person achieve this goal. Bitcoin is sold on large exchanges, as well as from one user to another. The price of bitcoin varies across exchanges and other sites used to purchase bitcoin. When people refer to the price of bitcoin, they usually quote a single price level, such as the Bitcoin Price Index reported at coindesk.com/price. However this would not necessarily be the exact price of bitcoin at any given exchange. This study aims to uncover why prices are different across exchanges, and if the price gap between exchanges fluctuates over time.

**2: Area of Focus**

This study focuses on exchanges that primarily deal with bitcoin and USD. In particular, Coinbase (coinbase.com), Bitstamp (bitstamp.net), and Localbitcoins (localbitcoins.com) will be analyzed. Coinbase and Bitstamp are examples of bigger exchanges, while localbitcoins is a site that allows users to meet each other in person to trade bitcoin for fiat currency.

**X: References**

<http://www.bitcoincharts.com/markets/>

<https://www.bitstamp.net/>

<https://www.coinbase.com/>

<http://www.coindesk.com/price/>

<https://localbitcoins.com/>