Read the following resources before answering the questions below:

1. <https://www.theglobeandmail.com/report-on-business/rob-commentary/cryptocurrencys-crash-is-a-matter-of-when-not-if/article37257013/>
2. <https://www.cbc.ca/news/business/hut8-medicine-hat-bitcoin-mining-1.4834027>
3. <http://www.bbc.com/news/business-42237432>

Guidelines for writing a supported opinion paragraph (SOP)

* + <http://schools.peelschools.org/sec/fletchersmeadow/studentlife/OSSLTprep/Documents/Sample_%20Writing%20a%20Supported%20opinion%20paragraph.pdf>

**Level 1: Bitcoin & Cryptocurrencies**

1. List three ways that “cryptocurrencies” (e.g. Bitcoin) are different from traditional currencies (money).
   * Digital
   * Every piece of cryptocurrency is unique
   * Independent from a central system
2. List one advantage of Bitcoin over on-line payment services such as PayPal.

PayPal is run by a company; therefore, it is a centralized system. This means that the users don’t have to give their trust towards a company.

1. List three types of organizations (or types of users) that would benefit in a positive way from the use of “cryptocurrencies”.
   * Banks
   * Governments
   * Large corporation
2. Bitcoin claims to be anonymous. Is this true (explain)? How could someone find out your identity?

Bitcoin is not anonymous because they claim that they aren’t on their website. Transactions are stored on the network for anyone to see and it is not removable. Every transaction is associated with the sender’s and receiver’s Bitcoin address, so after a few transactions, people can piece together those transactions that have the same address and affiliate that address to someone.

1. Many people claim that the use of "cryptocurrencies" should be restricted because they make it easier for criminals to hide their actions. Is this a valid point of view? Write a SOP to support your argument.

I believe that cryptocurrencies should not be restricted because there are more ways for criminals to hide their actions if they were using physical money than cryptocurrencies. To elaborate, every transaction of cryptocurrencies is accessible to anyone, meaning that criminals can leave a trace of their activities for authorities to investigate and find the criminals. On the other hand, physical money can be counterfeited, smuggled, and it was way harder to track down a piece of money. Cryptocurrencies are unique in the way that they can not be duplicated because there can not be two of the same pieces of currency on the network.

**Level 2: Bitcoin & The Environment**

1. What is a Bitcoin “miner” and how big is the Hut-8 facility in the city of Medicine Hat Alberta?

A Bitcoin miner is a computer that use special software to solve math problems for Bitcoin transactions and in return the miner’s is given some Bitcoin. Hut 8 is a computer that has servers that are specialized in cryptocurrency mining. In addition, they are a blockchain provider in which is the ledger where Bitcoin transactions are stored.

1. Why has Hut-8 decided to locate its facility in Alberta when its head office is in Toronto? What does the city of Medicine Hat provide that is required for mining Bitcoin?

The Hut 8 facility is in the city of Medicine Hat because the electric operating costs are low due to the abundance of wind power and natural gas.

1. What benefits does the city of Medicine Hat expect to see from this Bitcoin facility?

The city receives a significant financial support from the facility. Also, the facility employs 40 full-time employees.

1. What concern does the city of Medicine Hat have about from this Bitcoin facility?

As the number of Bitcoins to claim decrease, the ratio between energy consumption and profit becomes less optimal; where the electrical cost will outweigh the profit gained in return.

1. What concern do environmentalists have about the Medicine Hat facility and about Bitcoin mining in general? E.g. how does Bitcoin mining harm the environment?

Environmentalists are concerned by the amount of energy that Cryptocurrency mining consumes. The consumption of natural gas is high from the facility.

1. If Hut-8 wanted to build a facility in Brampton, would be in favor of this proposal. Write a SOP to justify your position.

I would not be in favor of this proposal because it would raise the amount of energy that the city consumes. In addition, cryptocurrencies are not an official currency, so it is still unreliable is to whether investing in it is worth in the long run.

**Level 3: Mobile Payments**

1. Explain how you could use social media to make payments for things you buy in the store.

Social media services can send you notifications about transactions asking for confirmation. This can prevent criminals from stealing using your money unbeknownst to you.

1. List three ways that social media payments are a positive thing.

* Convivence
* Personal interaction
* Online currency

1. List three ways that social media payments are a negative thing.

* Not secure
* Frauds/Scam
* Only as secure as your social media account password

1. Is Canada ahead of or behind other countries in the use of mobile payments? Explain your answer.

Canada is behind of other countries in mobile payment use, currently only 12% of smartphone users in Canada uses their smartphone to make NFC payments.

1. In your opinion, should mobile payments be allowed in Canada? Write a SOP to justify your position.

Mobile payments should be allowed in Canada because it allows the convenience and it's secure enough to the point where only good hackers would be able to break through the security. And it could encourage more people to be social since they could give money and receive money from friends.