



Centurion  
UNIVERSITY  
*Shaping Lives  
Empowering Communities...*

School: ..... Campus: .....

Academic Year: ..... Subject Name: ..... Subject Code: .....

Semester: ..... Program: ..... Branch: ..... Specialization: .....

Date: .....

## Classroom Learning

(Learning by Listening and Observations)

**Name of the Topic:** Sovereign Currency, BTC, and Gold

### Learning Outcome:

### **Concepts learned (Mention 2/3 principles):**

Based on the classwork, the principal concepts I have learned include:

1. The fundamental concept of sovereign currency (fiat) as government-issued money that is not backed by a physical commodity but derives its value from trust in the issuing authority and legal tender laws.
2. The complete architecture of Bitcoin as a decentralized, non-sovereign digital asset, often termed "digital gold," due to its store of value properties, scarcity, and resistance to censorship.
3. The characteristics of gold as a traditional store of value and monetary commodity, highlighting its physical properties, historical role, and comparison to modern digital assets.

### **\* New techniques learned:**

Additionally, I have acquired new knowledge in the following areas:

1. Techniques for analyzing the properties of sound money: scarcity, durability, portability, divisibility, fungibility, and established history, and applying this framework to sovereign currency, gold, and Bitcoin.
2. Procedures for understanding monetary policy differences, including the inflationary nature of fiat systems (controlled by central banks) versus the disinflationary, predictable issuance of Bitcoin (controlled by code).
3. The process of how Bitcoin's fixed supply cap of 21 million and its decentralized consensus mechanism create a verifiably scarce asset, akin to the extractive scarcity of gold.
4. Methods for evaluating the role of each asset in a modern portfolio, considering factors like correlation, volatility, and protection against currency debasement.



### \* **Related Project/Practice work experienced and learned:**

During the practice sessions of the lab work, I engaged in and developed proficiency with programs and simulations in the following areas:

1. Modeling the effects of inflation on fiat currency savings over time compared to the historical price appreciation of gold and Bitcoin.
2. Analyzing the stock-to-flow model as a comparative framework for measuring the scarcity of commodities like gold and Bitcoin.
3. Tracking and comparing the value of a basket of goods priced in USD, gold, and BTC over a simulated period to understand purchasing power preservation.
4. Debating the "Triffin Dilemma" in the context of the US Dollar as a reserve currency and how Bitcoin offers a potential solution as a neutral reserve asset.

### **New Software/Machine/Tool/Equipment/Experiment learned:**

During the lab session, I used financial data platforms like **TradingView** to chart comparative performance, **Python with Pandas** to model inflation scenarios, and explored blockchain explorers to verify Bitcoin's immutable monetary policy.

### **Application of concept(s) (preferably real life scenario):**

1. **Hedge Against Inflation:** Both gold and Bitcoin are used by individuals and institutions to protect wealth from the inflationary erosion of purchasing power caused by the expansion of the fiat money supply.
2. **Cross-Border Value Transfer:** Bitcoin serves as a tool for transferring value across borders without the need for traditional foreign exchange markets, bypassing capital controls often imposed on sovereign currencies.
3. **Diversification:** Investors allocate a portion of their portfolio to non-correlated assets like gold and Bitcoin to reduce overall risk and protect against systemic financial crises.

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### \* **Case Studies/Examples:**

1. **Hyperinflation in Venezuela/Zimbabwe:** Citizens of countries experiencing hyperinflation have turned to both Bitcoin and gold to preserve their savings, as their local sovereign currency became nearly worthless, demonstrating the failure of unsound monetary policy.
2. **Institutional Adoption:** Companies like MicroStrategy and nations like El Salvador have added Bitcoin to their treasury reserves, treating it as a strategic hedge against monetary debasement, much like central banks hold gold reserves.
3. **The Gold Standard Era:** The historical period when sovereign currencies were directly redeemable for gold provided price stability but was eventually abandoned for the flexibility of fiat, a trade-off that Bitcoin now challenges by offering a digital, rules-based alternative.

### **Assessment:**

**Marks Obtained:** ..... / 10

**Signature of the Student:**

**Name :** PN Archana

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**Signature of the Faculty:**

Page No.....

*\*As applicable according to the topic.  
One sheet per topic (10-20) to be used.*