



School: Campus:
Academic Year: Subject Name: Subject Code:
Semester: Program: Branch: Specialization:
Date:

Classroom Learning

(Learning by Listening and Observations)

Name of the Topic: Virtual Currencies

Learning Outcome:

Concepts learned (Mention 2/3 principles):

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

1. The fundamental concept of a virtual currency as a type of unregulated digital currency that is issued and controlled by its developers and used within a specific virtual ecosystem or community.
2. The complete architecture of how virtual currencies operate on centralized systems, often managed by a private entity, unlike decentralized cryptocurrencies.
3. The characteristics that distinguish virtual currencies from cryptocurrencies, including their centralized control, intended use case (within a specific platform), and general lack of status as legal tender.

*** New techniques learned:**

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

1. Techniques for identifying the centralized ledger system that manages the issuance, transaction history, and balance of virtual currencies within a closed environment.
2. Procedures for understanding how the value of a virtual currency is often derived solely from the perception of its community and its utility within its specific platform, not from a peg to an external asset.
3. The process of how users acquire virtual currencies, typically through in-platform activities, purchases with fiat currency, or as rewards, and how they are spent on virtual goods and services.
4. Methods for analyzing the economic models of virtual economies, including inflation controls, sinks (ways to remove currency), and sources (ways to introduce currency).

*** 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. Mapping the flow of a virtual currency within a simulated game economy, tracking its issuance (e.g., defeating monsters) and sinks (e.g., purchasing gear).
2. Analyzing the terms of service and user agreements of major platforms (e.g., Roblox, Fortnite) to understand the legal status and ownership rights of their virtual currencies.
3. Designing a simple model for a virtual currency for an online community, defining its purpose, supply, and acquisition methods.
4. Debating the regulatory challenges and consumer protection issues surrounding virtual currencies, such as the lack of chargebacks and the risk of platform closure.

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

During the lab session, I used **game development platforms** like Unity or Roblox Studio to understand how virtual currencies are integrated, and **spreadsheet software** to model simple virtual economies and their monetary policies.

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

1. **Gaming Ecosystems:** Used as the primary medium of exchange within online games and virtual worlds (e.g., Robux in Roblox, V-Bucks in Fortnite) to purchase items, skins, and battle passes.
2. **Loyalty and Reward Programs:** Airlines, retailers, and other businesses use virtual points or miles as a currency that can be earned and redeemed for discounts, products, or services within their ecosystem.
3. **Online Content Monetization:** Social media platforms and content creation sites use virtual currencies (e.g., YouTube's Super Chat, Twitch's Bits) to allow viewers to support creators and purchase digital perks.

*** Case Studies/Examples:**

1. **The Fortnite V-Buck Economy:** The immense success of V-Bucks demonstrates how a well-designed virtual currency can drive revenue by creating a seamless and engaging way for players to purchase cosmetic items and access new content within the game.
2. **The Rise and Fall of Facebook Credits:** This early attempt at a unified virtual currency for the Facebook platform was eventually phased out, serving as a case study in the challenges of creating a universal virtual currency across a diverse ecosystem of apps and games.
3. **The "Play-to-Earn" Model:** Games like Axie Infinity blurred the line between virtual and cryptocurrency by allowing players to earn crypto-assets (SLP, AXS) with real-world value through gameplay, creating a novel economic model and highlighting regulatory grey areas.

Assessment:

Marks Obtained: / 10

Signature of the Faculty:

Signature of the Student:

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