

Bitcoin

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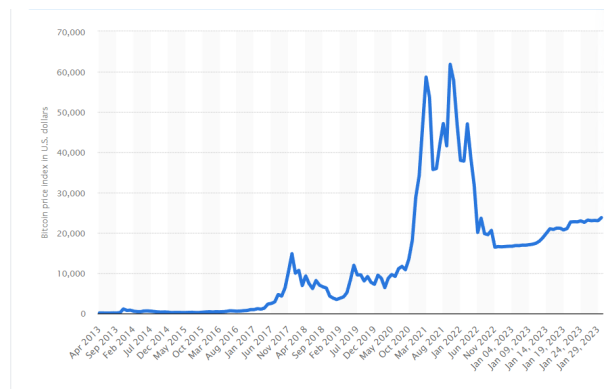
1 Introduction

Bitcoin is a cryptocurrency, a digital asset that uses cryptography to control its creation and management rather than relying on central authorities. Originally designed as a medium of exchange, Bitcoin is now primarily regarded as a store of value. The history of bitcoin started with its invention and implementation by Satoshi Nakamoto, who integrated many existing ideas from the cryptography community. Over the course of Bitcoin's history, it has gone rapid growth to become a significant store of value both on- and offline. From the mid-2010s, some businesses began accepting bitcoin in addition to traditional currencies.

Bitcoin uses peer to peer technology to operate with no central authority or banks. Managing Transactions and the issuing of bitcoins is carried out collectively by the network. Bitcoin is open source, its design is public, nobody owns or controls bitcoin and everyone can take part. Through many of its unique properties, Bitcoin allows exciting uses that could not be covered by any previous payment system like:

1. Fast peer to peer transactions
2. Worldwide payments
3. Low processing fees etc.

2 Evolution of Bitcoin



In 2009, Bitcoin was first used after it was released as open source software, when Nakamoto mined the starting block of the blockchain. This is referred to as the Genesis Block, and it continued the first 50 Bitcoins ever created. From there on, Bitcoin continued to be mined by other early contributors until 2010.

The all-time high price of 64,800 dollars was reached on April 14, 2021.

3 Why Bitcoin

Bitcoin was originally worth net to nothing. The transaction that first gave Bitcoin monetary value was in October 2009, when Finnish computer science student Martti Malmi, known online as Sirius, sold 5,050 coins for around 414.65 INR, giving each Bitcoin a value of 0.0009 Dollar each.

A major benefit of Bitcoin is that it's a very accessible and versatile currency. Since it only takes a few minutes to transfer bitcoins to another user, it can be used to purchase goods and services from the ever-growing list of places accepting it.

As a digital asset, Bitcoin can be used to store and exchange value instantaneously and securely. Unlike traditional currencies, there are no physical Bitcoins, so they cannot be counterfeited or stolen by hackers. In addition, Bitcoin is based on an innovative payment system called the blockchain.

Bitcoin was not the first attempt at a digital currency, but it has

been the most successful and it is now being accepted by a number of major retailers. Bitcoin is a cryptocurrency and operates as a peer-to-peer network. Its security is guaranteed by cryptographic algorithms instead of governments and has the potential to become a major means of payment for e-commerce and may even materialize as a viable challenge to traditional money-transfer providers. Instead of serving one country or some countries, Bitcoin serves the entire world.

4 Evolution of Bitcoin from Jan 2022 to Jan 2023



As retail investors poured into markets and the Federal Reserve kept printing money ,assets continued to inflate.Bitcoin hit 3293890 a week into 2021, INR 4117363 in February 2021 and INR 4941104 in March 2021.

After a turbulent couple of weeks in May, it dropped to less than INR 2799959 before rising to another all-time high close to INR 5681883

in November 2021. Since November 2021, Bitcoin has struggled with the rest of the market. The up-only narrative from the days of money printing was over, with economics struck by rampant inflation. The Fed has been hiking interest rates since early 2022, with assets furthest out on the risk spectrum getting punished the most. Higher interest rates mean a greater cost to borrow, less investment, and a general reduction in the level of demand in the economy. Bitcoin has been in freefall since early 2022 amid the crypto winter. The most damaging month in 2022 was May, when the collapse of stablecoin TerraUSD sparked a round contagion in the cryptocurrency markets, pulling Bitcoin down from INR 3210148 in early May to INR 1646230 by mid June, where it hovers today. Investors hope this downturn is just the latest dip to precede a sharp rise, as history has repeatedly shown for Bitcoin. Historically, October is known as a "green" month, increasing 26%. If that's the case, the prices will head towards the INR 1975609 mark. Bitcoin price is at a current level of 23082.86, up from 23024.75 yesterday and down from 37276.84 one year ago. This is a change of 0.25%. Global economic factors that stemmed from Russia's War in Ukraine negatively affected the price of Bitcoin. On April 22, 2022, its price fell back down below 40000 dollars. It further dropped to as low as 25,970 dollars in May after the collapse of Terra-Luna and its sister stablecoin, UST, in addition to a shedding of tech stocks. On 18 June, Bitcoin dropped below 18000 dollars, to trade at levels beneath its 2017 highs. In the aftermath of the collapse of FTX Bitcoin's price has dropped furthermore.

5 Sources and references

Links:

<https://www.coindesk.com/price/bitcoin/>

<https://coinmarketcap.com/currencies/bitcoin/historical-data/>

<https://bitcoin.org/en/>

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

Statistica

Nakamoto References

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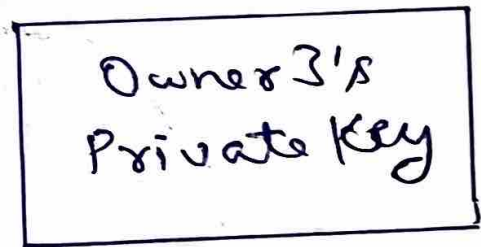
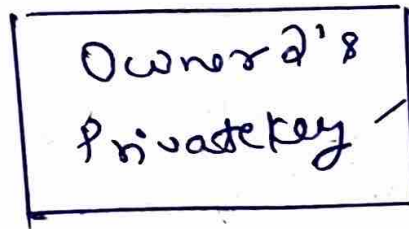
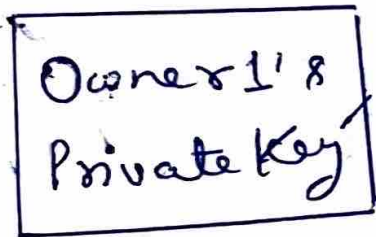
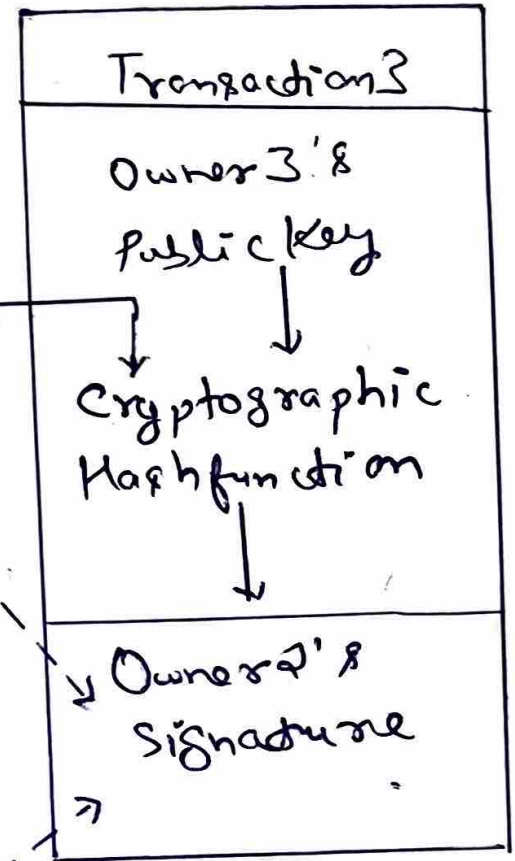
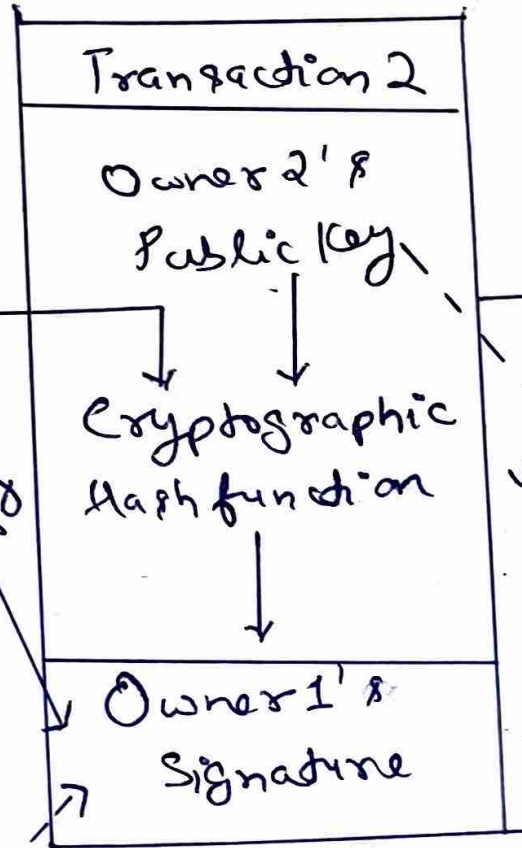
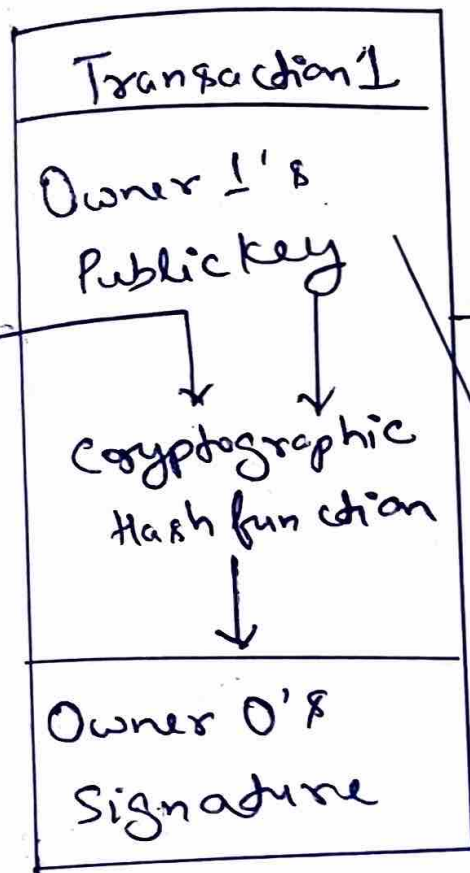
Worldwide Decentralized
Peer to Peer Network

Individuals and
Businesses create
wallets that allow
them to send and
receive Bitcoin

Miners
Miners create Bitcoin
by using computers to
solve mathematical
functions. The same process
verifies transactions.

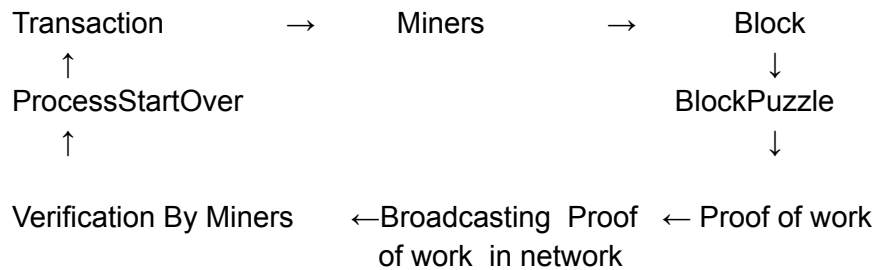
Bitcoin exchange
Trade conventional
currencies for Bitcoin,
offering a way in and
out of the market for
non-miners.

Cryptography secures the
network, ensuring that all
balances and transactions
are safe.



Bitcoin Transaction Schema

How Bitcoin Blockchain works:



Factors affecting Bitcoins:

- 1.The supply and demand of BTC, competition from other cryptocurrencies and news.
- 2.Cost of production(The metrics recorded by macromicro.me indicate that the average mining cost is \$19,662 today, while the USD value of BTC is recorded at **16,120 nominal U.S. dollars per unit.**)
- 3.Regulation