## Assignment 2

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## Q1)  Name any 3 popular cryptocurrencues currently in circulation.

## ANS) 1) Bitcoin

## 2) Ethereum

## 3) Binance coin

## Q2)  Name any 2 kyc compliant platforms for crypto trading.

## ANS) 1) Coinbase

## 2) Binance

## Q3) Name any 2 non kyc compliant platforms for crypto trading.

## ANS) 1) Bybit

## 2) Kraken

## Q4) Is crypto trading legal in India? Is it regulated?

## ANS) Cryptocurrency trading is currently legal in IndiaIn 2018, the Reserve Bank of India (RBI) issued a circular banning banks and other financial institutions from dealing with or providing services to cryptocurrency businesses. However, this ban was overturned by the Indian Supreme Court in 2020.

## As of now, there is no specific regulation for cryptocurrency trading in India, but the government is actively discussing and considering various approaches to regulate the cryptocurrency market

## Q5) In which countries is cryptocurrency accepted as legal tender?

## ANS) El Salvador has become the first country to adopt Bitcoin as a legal tender. The law, passed in June 2021, made Bitcoin an official currency alongside the US dollar.

## Q6)  Write an opinion piece whether cyrptocurrency should be made legal in India. (200 words)

## ANS) Cryptocurrencies have been gaining widespread attention and popularity in recent years, as more and more people around the world invest in digital assets like Bitcoin, Ethereum, and others. However, the legal status of cryptocurrency in India remains uncertain, as the Indian government has yet to develop a comprehensive regulatory framework for cryptocurrencies.

## In my opinion, the Indian government should consider legalizing cryptocurrency and creating a regulatory framework to ensure its safe and secure use. Cryptocurrency has the potential to revolutionize the Indian financial system by enabling faster and cheaper transactions, promoting financial inclusion, and reducing the reliance on traditional banking systems.

## In conclusion, legalizing cryptocurrency in India could have numerous benefits for the economy and society as a whole. However, it's important to ensure that any regulatory framework is carefully crafted to promote innovation while also protecting consumers and investors. With the right approach, India can embrace the potential of cryptocurrency while mitigating any associated risks.

## Q7)  What are benefits of cryptocurrency? What are challenges to its adoption?

## ANS) Cryptocurrency has several potential benefits, including:

## 1) Accessibility: Cryptocurrencies are accessible to anyone with an internet connection, allowing for greater financial inclusion and access to financial services.

## 2) Security: Cryptocurrencies use advanced cryptographic techniques to secure transactions and ensure the integrity of the blockchain, making it extremely difficult to tamper with or manipulate transaction records.

## 3) Decentralization: Cryptocurrencies operate on a decentralized network that is not controlled by any government or financial institution. This allows for greater financial independence and autonomy for users.

## CHALLENGES:

## Security risks: While the blockchain technology that powers cryptocurrencies is highly secure, there have been instances of cryptocurrency theft and hacking that have led to significant financial losses.

## Regulatory uncertainty: The legal status of cryptocurrency is uncertain in many countries, which can create uncertainty and risk for investors and businesses.

## Volatility: Cryptocurrencies are highly volatile, with their values fluctuating wildly based on market trends and speculation.