Case Study 2

1. List two ways that “cryptocurrencies” (e.g. Bitcoin) are different from traditional currencies (money).

· One way they are different from the traditional currencies is that cryptocurrencies lack the

backing of an established government and transactions occur under an anonymous cloak.

· Cryptocurrencies can be obtained by mining or buying it using real money.

2. List three types of organizations / people that “cryptocurrencies” favor.

· It is used by criminals who hack computers and hold them for ransom.

· By individuals who aim to move assets from countries that enforce currency-exchange.

· By those that seem to avoid taxation.

3. Is Bitcoin truly anonymous? How could someone find out your identity?

· Bitcoin is not truly anonymous because each transaction is linked to the sender’s and receiver’s wallet address. Converting from bitcoins to real money will involve a transaction that associates their cryptocurrency wallet with their bank account (and personal identity).

4. What is a Bitcoin “miner”?

· Bitcoin miners are people that task their computers to solve complex cryptographic problems and earn small amounts of money from it.

5. How is Bitcoin bad for the environment?

· Bitcoin mining is a resource-intensive activity that is currently estimated to account for about a tenth of 1 per cent of the world’s energy consumption.

6. What are some advantages of Bitcoin over traditional money or services such as PayPal?

· Some advantages of Bitcoin are it gives a new market to invest in stock market. This can be a good way to make money you invest at right time.

· It can be used to avoid taxation.

· Finally, it provides people an anonymous way to complete traction without much notice of the government. This can be useful for some people because it protects against identity theft.

· Transactions are very secure.

7. What are some disadvantages of Bitcoin.

· The transaction verification process takes too long to complete.

· Investing money is always risky because it can go down in price causing huge losses.

· Many people are uneducated about bitcoin and are still learning about it slowly, so market is growing slowly.

· Lastly, it is not fully developing in the sense that new features, tools, and services are currently being developed.

Questions (Mobile Payment):

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

· Facebook is starting payment services in its messenger app. This allows you to pay money using the messenger app. Also, other companies such as PayPal also launched an app called Venmo which allows people to share their mobile payment messages on social feeds and allows users to follow each other’s accounts and add comments.

9. List some ways that social media payments are a positive thing.

· This technology of sending payments through social media is a positive thing because it saves people’s time and then don’t have to go to banks. This also helps the environment as people won’t have to go to banks in their cars anymore and thus reduce pollution. This is basically the next step in future. It’s very convenient for people to send money using their phones instead of going to a bank.

10. List some ways that social media payments are a negative thing.

· There is always going to be that fear of getting your personal information stolen even after all the encryption. Moreover, this payment system may affect banks a little bit as people don’t have to go to banks anymore. This also makes people lazy as they don’t want to go if something is accessible from the comfort of their home.

11. What countries are ahead of Canada / United States in the area of mobile payments?

· China has developed the model that the rest if the world will follow. Person-to-person payment apps are very popular like Swish in Sweden and Mobilepay in Denmark.

12. In your opinion, should mobile payments be allowed in Canada?

· In my opinion mobile payments should be allowed in Canada because this basically saves people’s time if they don’t have time to go to the banks. Moreover, people don’t go to banks, so the pollution is reduced, and this helps the environment. However, I think everyone using mobiles as a payment method should always be aware of the spy softwares/viruses that may be in their mobile ready to steal their bank information.