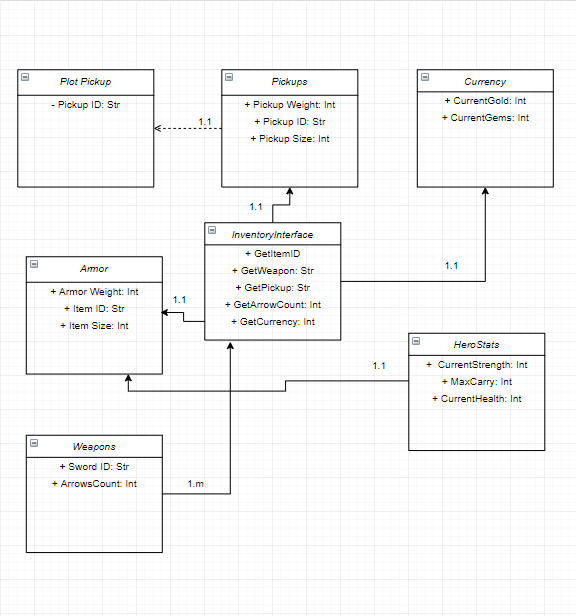
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COMP730

Take home Exam

1.) 

SIDE NOTE: I wrote this essay by looking at the exam requirements in the files tab in MyCourses and figured this would be a sufficient essay answer to the actual requirements. Thank you

2.) Cryptocurrencies are potentially the currency of the future. Its anonymity in making purchases are highly sought out after for various reasons. But can anonymity behind purchases a bad thing? How are the ethics behind a digital currency? Can there be any good in cryptocurrencies? To figure out the answer to these questions we must define what it is and how it is being abused in today’s world.

Bitcoin, Ripple and Ethereum are different types of cryptocurrencies with different respective backgrounds. Some such as Revolut are cryptocurrencies currently backed by US banks. While others such as Bitcoin are open source and provide no real value besides value people deem at the current time. Bitcoin was first developed in 2009 by a person with the pseudonym Satoshi Nakamoto. There is no real established person who has come out stating they are the original creator of Bitcoin. This anonymity drives the most compelling feature of cryptocurrencies today. Anonymity is not the only compelling feature to crypto currencies.

Since crypto currencies are inherently anonymous this is drawing some large members of the public. Cryptocurrencies cannot be taxes since it not backed by a bank and you cannot be proven that you are in possession to Bitcoin. The ethics behind this are quite fair since there are counterpoints to it. The same way tax havens exist in the world and corporations are hiding money in offshore accounts to evade taxes. Bitcoin achieves the same result but with a different process. You simple don’t have to declare if you are in possession of any cryptocurrency. This loophole has negative impacts on the international economies ultimately.

In the criminal world staying anonymous is a highly sought-after trait when it comes to transactions, especially when dealing with larger sums of money. The infamous dark web browser Tor engages in black market offerings and the preferred payment method are crypto currency. The concept of purchasing illegal items and services on the dark web with an untraceable currency is most definitely a troubling issue. This is a troubling issue for policing and catching the buyers and sellers but also a sanctuary for the buyer and seller. The easiness of buying Bitcoin is surreal.

To purchase Bitcoin there are various online vendors but by far the most popular vendor is coinbase.com. This currency exchange site has been dramatically popularized due to the recent Bitcoin craze that occurred last year. Now this is where disclosing financial information to the IRS like any other companies takes place. So, although the crypto currencies are for the most part trackless there is information being released to government bodies, at least in the U.S. This ties in with more and more companies accepting crypto currency as payment. Large entities like Microsoft, Newegg and Etsy have all began accepting this form of payment. This doesn’t go to say that all things crypto related are good. Some things are quite bad.

The Silk Road. This was an infamous website on the dark web for nearly two decades before being taken down in 2014. This website held an online black market whose main payment form was crypto currency specifically Bitcoin. On the silk road users can buy anything from drugs, weapons slaves and much more sinister services. The nature of having an unregulated internet market that was extremely difficult to track users beaconed a place of sale for illegal items. Sometimes the drugs would be laced, and individuals would die, and other times nefarious services were offered in exchange for Bitcoin. So, with immoral transactions occurring why is Bitcoin still a thing?

Bitcoin and other crypto currencies cannot be taken down since individuals deem crypto currency as having market value. This market value will most likely not die or at least not in the future of the concept virtual currency. The virtual currency model will not be leaving any time soon. It is true that a fair amount of Bitcoin is traded for illegal transactions but having a traceless way of using money will always succeed over the regular government backed currencies in today’s world.