

The Age of Cryptocurrencies

Cryptocurrencies, digital or virtual currencies that use cryptography for security, have dramatically reshaped the financial landscape. Bitcoin, the first and most well-known cryptocurrency, was created in 2009 by an anonymous person known as Satoshi Nakamoto.

Paragraph A Cryptocurrencies allow for secure, direct transactions between parties. They operate on technology called blockchain, a decentralized ledger that records all transactions across a network of computers.

Paragraph B One significant advantage of cryptocurrencies is the lack of a need for a central authority, like a bank or government. This can make transactions quicker and potentially cheaper, as it removes the need for currency conversion or various fees.

Paragraph C However, the anonymity and lack of regulation associated with cryptocurrencies make them susceptible to use in illegal activities, such as money laundering and tax evasion.

Paragraph D The value of cryptocurrencies can be extremely volatile. Prices can skyrocket, but they can also plummet, leading to substantial financial losses for investors.

Exercise: Short Answer Questions

Answer the questions based on the passage. Use NO MORE THAN THREE WORDS for each answer.

1. Who is credited with creating Bitcoin?
• _____
2. What technology do cryptocurrencies operate on?
• _____
3. What authority is not needed in cryptocurrency transactions?
• _____
4. What illegal activities are cryptocurrencies susceptible to?
• _____
5. What is a significant risk associated with investing in cryptocurrencies?
• _____