

1) What is Bitcoin?

A bitcoin is a type of digital currency which can be bought, sold, and transfer between the two parties securely over the internet. It cannot be touched and seen, but it can be traded electronically. It can be stored in mobiles, computers or any other storage media as a virtual currency. Bitcoin can store values much like fine gold, silver, and some other type of investments. It can be used to buy products and services as well as make payments and exchange values electronically. It is the most popular cryptocurrency in the world.

2) What do you mean by Bitcoin Mining?

Bitcoin mining is performed by bitcoin miners(a group of people). The procedure of bitcoin mining is done by specialized computers equipped for solving algorithmic equations. Miners achieve bitcoin mining by solving a computational problem which makes the chain of blocks of transactions. These specialized computers help miners to authenticate the block of transaction held within each bitcoin network. Miners are rewarded in Bitcoin with newly-created Bitcoins and transaction fees.

3) Who developed Bitcoin?

Bitcoin was invented by an unknown person Satoshi Nakamoto. But there is no valid proof for this because the person behind bitcoin has never given an interview. It was released as open-source software in 2009. It was the first successful virtual currency designed with faith and equivalent to authorized currency of centralized government. It is a decentralized digital currency that uses rules of cryptography for regulation and generation of units of currency.

4) Who governs Bitcoin?

Bitcoin is not a company so no one can govern the Bitcoin. Bitcoin is a decentralized digital money that is issued and managed without any centralized authority. It is created as a reward in a competition in which miners who own the specialized computer offer their computing power to verify and generate new Bitcoins. They are also responsible for maintaining the security of the network into the blockchain. The activity of creating a bitcoin is referred to as mining, and every successful miner is rewarded with newly created bitcoins and transaction fees.

5) What is a Bitcoin wallet?

A Bitcoin wallet(digital wallet) is a software program where Bitcoins are stored. Technically, Bitcoin wallet is stored a private key(secret number) for every Bitcoin address. The owner of the wallet can send, receive, and exchange bitcoins. The Bitcoin wallet is of many forms, and some of them are desktop wallet, mobile wallet, web wallet, and hardware wallet.

6) How can you choose a Bitcoin wallet?

Choosing the best bitcoin wallet is the most important step in becoming a Bitcoin user. There are two initial steps to finding a Bitcoin wallet given below:

1. Decide what sort of crypto wallet you need
2. Consider specific wallets to find the best one for you.

Bitcoin wallets differ in many ways such as security, convenience, level of privacy, coin support, and anonymity, customer support, user interface, fees, built-in services, and other variables.

The most common distinction in choosing Bitcoin wallets is whether they are a cold wallet or hot wallet.

1. **Cold:** The cold wallets refer to offline storage of bitcoins. These type of wallets are less convenient for frequent use, but they are more secure.
2. **Hot:** The hot wallets are connected to the internet most of the time. These type of wallets are suitable for daily use, but they are not secure.

Here, I will take an example of a page called bitcoin.org to choose a wallet. Bitcoin.org is a very good starting point to explain how to choose your wallet because there is a lot of options available. In this page, we will go to an option called Choose your wallet and decides the wallet type which you wants. These wallets are desktop wallet, mobile wallet, web wallet, and hardware wallet.

7) What is a Bitcoin address?

A bitcoin address is a unique identifier consisting of 26-35 alphanumeric characters, beginning of the number 1 or 3 that represents a location where the cryptocurrencies can be sent. Bitcoin address can be generated without any cost by the bitcoin user. However, the bitcoin address is not permanent that means it will be changed for every new transaction.

There are currently three standard address formats in use:

P2PKH: It always begins with the number 1, e.g.: 1BvBMSEYvtWesqTFn5Au4n4GFg7xJaNVN2.

P2SH: It always begins with the number 3, e.g.: 3J78t1WpEZ72CMnQviedrnyiWrnqRhWMLy.

Bech32: It always begins with bc1, e.g.: bc1qat0srrr7xdkvy5l643lxcnw9re59gtzxwf5ndq.

8) Is Bitcoin Anonymous?

No, bitcoin is not completely anonymous; instead, it is pseudonymous, i.e. every identity is tied with the fake name. It is because each user has a public address and whenever there are financial transactions occur, the fraudsters will survive to traced that addresses.

9) Who sets the Bitcoin price?

The price of bitcoin is determined by the market in which it trades. It is determined by how much someone is willing to pay for that bitcoin. The market sets the price of bitcoin same as Gold, Oil, Sugar, Grains, etc. is determined. Bitcoin like any other market is subject to the rules of supply and demand. i.e.,

1. More Demand, Less Supply = Price Goes Up
2. More Supply, Less Demand = Price Goes Down

Bitcoin's price is not set by anyone in particular. It is never traded in one place. Each market/exchange determines its own price based on supply and demand.

10) Why are Bitcoin prices fluctuating?

The price of bitcoin is fluctuating because it is very volatile in nature. Since the number of bitcoins is limited in circulation, new bitcoins are created at a decreasing rate. It means that demand must follow this level of inflation to keep the price stable. The bitcoin market is still relatively small as compared to other industries; therefore it does not take significant amounts of money to move the market price up or down.

11) How is Bitcoin purchased?

Bitcoins can be purchased from many sources. These are given below.

- It can be purchased from online with the help of credit cards or other e-wallets like PayPal etc.
- It can also be purchased with the help of LocalBitcoins and from Bitcoin Teller Machines which is equivalent to Cash vending ATMs.

- Bitcoin.com provides a list of authenticated online exchanges centers where you can sell and purchase Bitcoins.
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12) How can you sell Bitcoins?

You can sell Bitcoins in many ways. You can be selling them online to an exchange or some other people who live nearby. It can be sold in a similar way as it can be purchased. The price of bitcoin fluctuates regularly as per the demand and supply. It can also be sold through bitcoin ATMs, which allow selling and buying of Bitcoins. The transaction fees of bitcoin are the lowest amongst all bank charges applied globally.

13) Can stores accept Bitcoins?

As we know, anyone can accept Bitcoin. Many B2B services and hardware installation are available for the convenience of the storeowners. All these business organizations give invoicing and accounting with their services. All third party services are not compulsory. Individuals can also transact and invoice on their own.

14) How can you convert Bitcoin into Fiat currencies?

It is very important to know how to cash out bitcoin to fiat currency(USD, EUR, INR) which will be acceptable in their native countries. There are some easy ways listed below which convert BTC into USD, INR, EUR or GBP. Before picking any of the listed methods, you need to find out how you want to receive your fiat currency. You can sell Bitcoins in person for cash or can sell it on exchanges and get the money directly into your bank account.

- Cryptocurrency Exchange
 - Bitcoin Debit card
 - Selling bitcoins
 - Bitcoin ATMs
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15) Can I mine Bitcoins?

Bitcoin mining is not an easy process. It requires specialized computers which are able to perform the calculation of large mathematical algorithm. These specialized computers are very costly, and the power consumption has gone extremely high. For installation of one such computer or machine, you have to check for a cost-effective environment which is not easy

these days. Today, Bitcoin mining machines are constantly being upgraded and the moment becomes obsolete. Therefore, it will be very difficult to mine any more Bitcoin.

16) Can I trade bitcoin without selling at an exchange?

Yes, it is possible to trade bitcoins directly without selling at an exchange. Many people prefer this because of its security and trust. Many exchanges were hacked in the recent time and the result of this, their bitcoins vanished without any explanation.

Another reason is its privacy. These days exchanges have similar KYC requirements as like banks needs. The KYC information is at risk of theft if the security of the exchange up to date.

17) What can I buy with Bitcoins?

We can purchase anything with bitcoins that are legally sold in the world like clothing, electronics, food and art to handmade crafts. Bitcoin can also be used to buy large items like cars, real estate, and investment vehicles such as precious metals. If you can buy anything from Amazon through bitcoin, you can get up to 20% discount. Some others also give a discount to people who pay with the digital currency. Bitcoin has its own stores where you can buy T-shirts, bag, hoodie, accessories, etc.

18) Is Bitcoin legal?

Bitcoin is legal in many countries in the world, but some countries state that have banned its use, such as India, China, Ecuador. Regulations vary from country to country so you should have to do a proper search before the initiation of bitcoin transaction in any organization. Wikipedia and many other online services have a great guide on how Bitcoin is treated in all the countries around the world along with its regulatory policies.

19) How does Bitcoin work?

Each Bitcoin is a computer file which is stored as a digital wallet in smartphones or computer and functions similar to any e-wallet app. Bitcoins use his own currency in a digitalized form which has its own limits of production and limited to 21 million Bitcoins only. You can send Bitcoins to your digital wallet and then can send Bitcoins to other people. Every single bitcoin transaction is recorded in a public ledger called the blockchain. This makes it possible to trace the history of Bitcoins to stop people from spending bitcoins they do not own. It also restricts to make copies or undoing transactions.

20) What are the advantages of bitcoin?

Following are the benefits of Bitcoins:

- It is worldwide accepted at the same rates, and there is no risk of depreciation or appreciation.
- It has the lowest transactional fees in the world.
- It has fewer risks and irreversible transaction benefitting merchants.
- It is fully Secured and control by the cryptographic encryption algorithm.
- It is the transparent & neutral mode of administration as anyone can check data in real time.

21) What are the disadvantages of Bitcoin?

Following are the disadvantages: of bitcoins.

- **Degree of Acceptance:** In Bitcoin, the Degree of Acceptance is very low because many people are still unaware of its benefits.
- **Volatile:** Total number of Bitcoins in circulation is very small, so even a small change can make the price of the Bitcoin volatile.
- **Ongoing Development:** Bitcoins software is still in beta form, and many incomplete features are in active development

22) What is mean by Unconfirmed Transaction?

An unconfirmed transaction is that transaction that has not been included in a block, and not completed also. Every transaction requires at least one confirmation to complete the transaction.

The common reasons for unconfirmed transactions are:

- You have made the transfer. The Bitcoin network needs at least 10 minutes to include the transaction in a block.
- The blockchain fee is very low. Thus, the lower the transaction fee, the lower your transaction's priority in the Bitcoin network. Therefore, it takes longer confirmation to be a valid transaction.

23) Who controls the Bitcoin network?

Bitcoin network is the term used to describe all the servers which are mining the various transactions undertaken with bitcoin. No one particularly can control the Bitcoin network. It is controlled by all Bitcoin users around the world. In order to be compatible with each other, all bitcoin users need to use software that is complying with the same rules. Bitcoin mining can only work correctly with a complete consensus among all users. Therefore, all users and developers have a strong incentive to protect this consensus.

24) What is the price of one Bitcoin? Can I buy a part of one Bitcoin?

The buying rate for one Bitcoin as of April 2019 is approximately 3,67,569.51 Indian Rupees. The price of bitcoin would be changed every second. If you do not want to buy one bitcoin whole, you can buy a fraction of a Bitcoin also. It is because each bitcoin can be divided up to 8 decimals(0.00000001). For instance, you can buy Bitcoin for Rs 1000 or Rs 5,000.

25) Is it legal to buy and sell Bitcoin from India?

It is not illegal to buy and sell bitcoins in India. There is no law in India which declares it illegal. In India, the cusp of a digital revolution is yet to recognize the cryptocurrency officially. The Reserve bank of India(RBI), which regulates Indian rupee, had earlier cautioned users, holders and traders of Virtual currencies including Bitcoins.

The creation, trading or usage of Bitcoins as a medium for payment are not authorized by any central bank or monetary authority. There are no regulatory approvals, registration or authorization is stated to have been obtained by the entities concerned for carrying on such activities. However, the central bank has not unequivocally banned Bitcoins in the country.

26) How do bitcoin transactions work?

A transaction is a transfer of value between Bitcoin wallets of sender and receiver in the blockchain network. Each bitcoin transaction is composed of an amount which is the input (sending address), an output (receiver's address), and the private keys that allows spending of Bitcoins from an individual's account. The Blockchain is a database which maintains the transaction history since bitcoin's inception.

27) What steps should you take to safeguard themselves from Bitcoin fraud?

The basic advice is that you should not invest in anything that you does not understand. There are many schemes and scams available around bitcoin mining. A blockchain is a high-risk technology, it has potential, but we never guarantee anything. There is no way as a guaranteed return in the Bitcoin world. On the Zebpay home page, there is a section that lists about frauds and schemes and advises users on how to protect themselves.

28) What is the difference between Bitcoin and Blockchain?

SN	Blockchain	Bitcoin
1.	Blockchain is a ledger with cryptographic integrity.	Bitcoin is a cryptocurrency.
2.	Blockchain can easily transfer anything from currencies to property rights of stocks.	Bitcoin is limited to trading as currency.
3.	It has a broad scope because of open-source.	It has a limited scope and is less flexible.
4.	It provides a low cost safe and secure environment for a peer-to-peer transaction.	To simplify and increase the speed of transaction without much of government restrictions.
5.	It is transparent as it must comply with KYC for every business.	It can be termed as anonymous because there are no regulatory framework and standards that have been followed by bitcoin.