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## Original Research Article

## Awareness of crypto currency among adults

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## ABSTRACT

Crypto currency, an encrypted, peer-to-peer network for facilitating digital barter, is a technology developed eight years ago. Bitcoin, the first and most popular crypto currency, is paving the way as a disruptive technology to long standing and unchanged financial payment systems that have been in place for many decades. While crypto currencies are not likely to replace traditional fiat currency, they could change the way Internet-connected global markets interact with each other, clearing away barriers surrounding normative national currencies and exchange rates. Technology advances at a rapid rate, and the success of a given technology is almost solely dictated by the market upon which it seeks to improve. Crypto currencies may revolutionize digital trade markets by creating a free-flowing trading system without fees. Present study aims to understand the awareness of Crypto Currency among adults with reference to Kerala.

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## 1. Introduction

The concept of cryptocurrency was first proposed in the late 1980s, with the goal of creating a currency that could be sent anonymously and without the use of centralised entities (i.e., Banks). David Chaum, an American cryptographer, created Digicash, an anonymous cryptographic electronic money, in 1995. It was an early form of cryptographic electronic payments that required user software to withdraw money from a bank and certain encryption keys to send money to a receiver. Nick Szabo invented Bit Gold in 1998, which is frequently referred to as a direct forerunner to Bitcoin. Satoshi Nakamoto published the white paper Bitcoin - A Peer to Peer Electronic Cash System on October 31, 2008, detailing the Bitcoin blockchain network's functioning. When Satoshi bought Bitcoin.org on August 18th, 2008, he officially started working on the bitcoin project.

A cryptocurrency is a digital currency that is represented by an encrypted data string. A peer-to-peer network known

as a blockchain monitors and organises it, as well as serving as a secure database of transactions such as buying, selling, and transferring. Cryptocurrencies, unlike actual money, are decentralised, meaning they are not issued by governments or other financial organisations. In contrast, national currencies get a portion of their value from their status as legal tender. There are a variety of cryptocurrencies, with Bitcoin and Ether being the most well-known. Because of the huge interest in cryptocurrencies, a significant amount of computational power is being employed to crack the complicated codes that many of these systems use to keep them from being hacked. Despite the rising interest in cryptocurrencies, some doubt that they will ever be able to replace more traditional payment systems or national currencies. The government and central regulatory institutions have no control over cryptocurrencies. Cryptocurrency, as a concept, operates outside of the banking system, employing several brands or sorts of currencies.

A digital coin is established on its own blockchain and functions similarly to conventional currency. It can be used

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to hold value as well as a medium of exchange between two people engaged in commerce. Bitcoin and Litecoin are two examples of coins.

Tokens, on the other hand, can be used for a lot more than just digital cash. Tokens are built on top of an existing blockchain and can be integrated into software applications. They can be used to represent digital artwork (like with NFTs, or "non-fungible tokens" that certify something as unique). NFTs have also been used to experiment with tangible assets like real-life art and real estate. On the Ethereum network, Ether is an example of a token that is used to make transactions.

Bitcoin has evolved into a revolutionary digital currency since its inception in 2009. Because it allows for peer-to-peer payments without the involvement of a third party (such as a bank), it has sparked a flood of new cryptocurrencies and digital assets that employ blockchain technology. The success of Bitcoin has elevated blockchain to the foreground, putting its promise to decentralise and strengthen the digital economy on a collision course with the established quo.

## 2. Popular Cryptocurrencies

*Bitcoin:* Bitcoin is a digital money that runs independently of any central authority or government monitoring. Peer-to-peer software and cryptography are used instead. Bitcoin is regarded as the first cryptocurrency. Despite its considerable volatility over the course of its history, Bitcoin (BTC) remains the most popular and highly valuable cryptocurrency. Although Bitcoin was designed to be used as a digital payment system, experts believe it is still too volatile to be utilised for that purpose.

*Ethereum:* The Ethereum network's token, Ether, is utilised to conduct transactions. Ethereum is a blockchain-based platform that allows smart contracts and other decentralised applications to be created. It's also the second-largest cryptocurrency in terms of market capitalization, after only Bitcoin. Since its inception in 2013, Ether's value has climbed dramatically, reaching about \$3,000 per token as of late May, but it still behind Bitcoin's worth of nearly \$40,000 per coin.<sup>1</sup>

*Tether:* Tether is a stablecoin, or a digital money that is linked to a fiat currency, in this case the US dollar. Tether's goal is to combine the advantages of a cryptocurrency (such as the lack of need for financial intermediaries) with the stability of a government-issued currency. Tether is the most valuable stablecoin in terms of market capitalization.

*Binance Coin:* Binance Coin, along with other digital coins accessible for trading, may be found on the Binance cryptocurrency exchange platform. Binance Coin can be used as a kind of currency, but it also permits the creation of tokens that can be used to pay Binance exchange fees and power Binance's DEX (decentralised exchange) for app development. Binance Coin is a cryptocurrency created

by Binance, one of the world's largest cryptocurrency exchanges. Binance Coin, which was originally designed to pay for discounted transactions, may now be used to make payments as well as purchase a variety of goods and services.

*USD Coin:* USD Coin, like Tether, is a stablecoin that is tied to the US dollar. USD Coin, like Tether, is based on the Ethereum network. USD Coin was created with the goal of creating a "totally digital" dollar that has the same stability as US fiat currency but does not require a bank account or the holder to reside in a specific nation. USD Coin is envisioned as everyday money that can be used with merchants on the internet, rather than as an investment. According to the currency's creators, the money is backed by fully reserved assets or assets with "equal fair value," which are stored in accounts with regulated US institutions.

*XRP:* The Ripple digital payment network's cryptocurrency is called XRP. XRP, which was created for digital payments, claims to be a faster and more efficient way to enable global payments. Third-party work on alternative uses for XRP is also possible with Ripple and XRP. XRP, formerly known as Ripple, was founded in 2012 and allows users to pay in a variety of real-world currencies. Ripple, which employs a trustless technique to allow payments, can be useful in cross-border transactions.<sup>2</sup>

*Cardano:* Cardano is the cryptocurrency framework that underpins ada, the currency's name. Cardano, which was created by the Ethereum co-founder, also uses smart contracts to provide identity management. Cardano (ADA) is based on the Ouroboros blockchain protocol, which has been peer-reviewed. It bills itself as a more secure and scalable way to keep decentralisation alive.

*Stellar:* The Lumen is Stellar's native cryptocurrency (XLM). Stellar is an "open network for holding and moving money," allowing users to generate, send, and trade digital currency. It's made to sell and trade all digital currencies, not only Stellar's own Lumen - albeit you'll need some Lumen to make trades.

*Dogecoin:* Dogecoin gets its name from an online meme portraying a Shiba Inu dog, and was formed as a joke after the run-up in Bitcoin. Unlike many other digital currencies, Dogecoin has no restriction on the number of coins it can issue. It can be used to send money or make payments. Elon Musk, the CEO of Tesla, has spoken out on Dogecoin, which saw its value and popularity skyrocket before plummeting in the second part of the year.

*Polkadot:* Polkadot is a digital currency that integrates the blockchain technology of many different cryptocurrencies. It was launched in May 2020. Polkadot (DOT) claims that one of its goals is to enable multiple blockchains to communicate data and transactions with one another. Its website emphasises data and identity protection, as well as user autonomy. One of Polkadot's inventors is a co-founder of Ethereum, and some industry analysts believe

Polkadot is attempting to dethrone Ethereum.

One estimate puts the number of crypto currencies at around 6700, with a total market capitalization of an astonishing 2.5 trillion U.S Dollar as of Oct 25, 2021. Bitcoin, Ethereum, Binance Coin, Cardano, Solana, Ripple, Polkadot are amongst the leading names as of 2021. There is a large variation in characteristics of the crypto currencies which are also evolving over time due to evolution of unique features of each such instrument.

The Union Budget 2022-23 has brought in clarity concerning the levy of income tax on crypto assets. From April 1, a 30 per cent I-T plus cess and surcharges will be levied on such transactions in the same manner as it treats winnings from horse.

Races or other speculative transactions. Besides, the budget proposed a 1 per cent TDS on payments towards virtual currencies beyond Rs 10,000 in a year and taxation of such gifts in the hands of the recipient. The threshold limit for TDS would be Rs 50,000 a year for specified persons, which include individuals/HUFs who are required to get their accounts audited under the I-T Act.

The present study is concerned with Crypto currencies. Current generation is more focusing on digital currencies as their preferences, concerns became different and unique. An increase in the use of digital currencies, it is exploiting and creating the new era of digital markets as well as new business opportunities in the market, competitive spirit is needed for survival. Thus, the present study fulfils to understand the awareness about Crypto currency among the adults.

The literature reviews also point out the importance of awareness level of cryptocurrencies among people. Due to the Malaysian central bank's recent propensity to regulate the use of digital currencies in early 2018, the research conducted by Omar Alaeddin, Rana Altounjy examined the factors influencing Malaysian Generation Z's attitude towards and desire to use bitcoin in their financial decisions. The study used a quantitative method and a sample of 230 final year students from University Kuala Lumpur's business school. The study discovered that awareness and trust have a substantial impact on attitude, which, when combined with pleasure with bitcoin services, might lead to a desire to adopt cryptocurrencies.

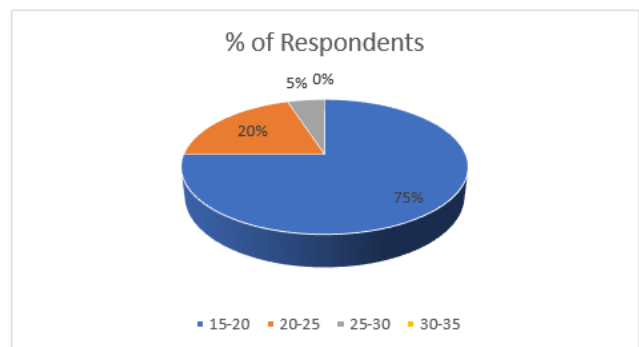
The goal of the study made by Patil, Pratim Shekhar was to examine the millennial generation's attitude toward bitcoin. This paper focuses on the multiple aspects and problems that millennial investors face while making investment decisions. The study concluded that while millennials accept the notion of cryptocurrencies, they are hesitant to engage in actual trading since they lack the necessary knowledge and abilities. Experienced millennials, on the other hand, have accepted it as a useful financial asset. As a result, the whole research on Cryptocurrency will assist one in comprehending the benefits and drawbacks of it in

today's society.<sup>3</sup>

The specific objective of the paper is to study the awareness about crypto currency among adults. The study is descriptive in nature. The research is based on primary and secondary data. The primary data is collected from 30 respondents who belongs to the age group of 16 to 30 from different parts of Kerala. The primary data is collected with the help of personal survey by using structured questionnaire. The secondary data is taken from research papers, journals, websites, books, E-book, and magazines. The tools used for the analysis is percentage analysis and the analysis is supported with graphs and charts. The study was done during the period of April June 2021.

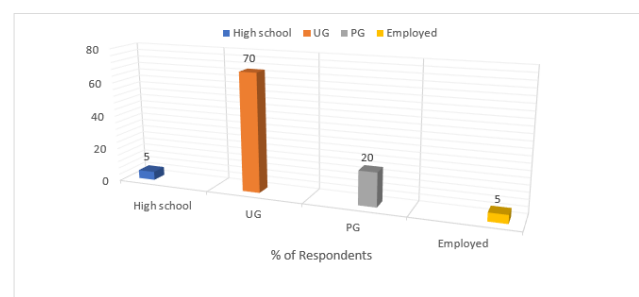
### 3. Results and Conclusion

While considering age of respondent's majority (75%) of the sample belonged to the age group of 15-20, and 20 percent belonged to 20-25 age group and only 5percent where in the age group of 25-30.



Source: Primary Data

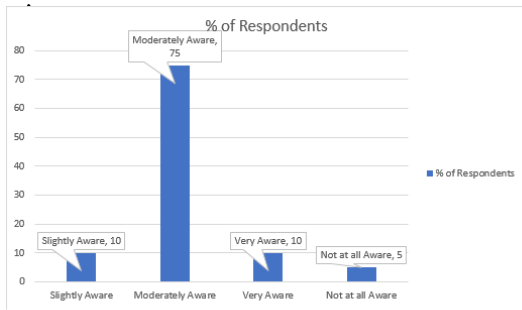
Graph 1: Age of respondents



Source: Primary Data

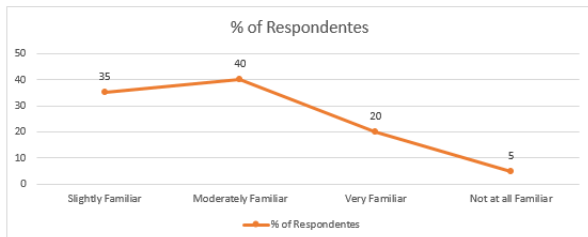
Graph 2: Educational qualification

The Graph 3 depicts that 5 percent of the respondents were from high school, 70 percent of the respondents were in the category of UG students and 20 percent were PG students. Again, only 5 percent of the respondents were employed persons.



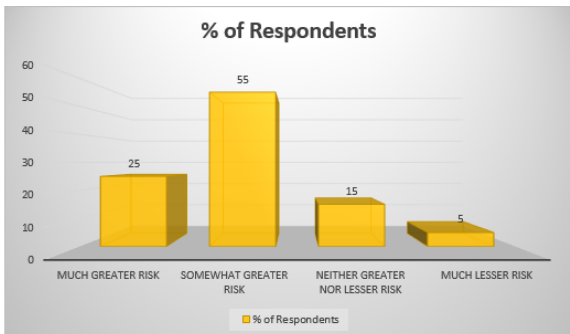
Source: Primary Data  
Graph 3 explains that 75 percent of the respondents are moderately aware of technology and only 5 percent are not at all aware of technology.

Graph 3: Technology background



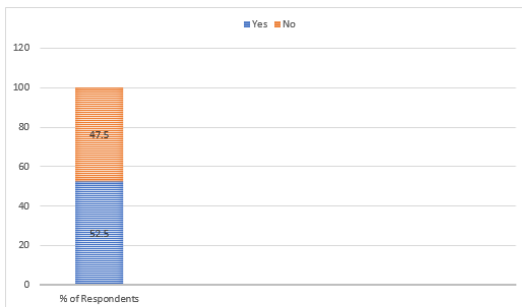
Out of 40 Respondents, 40 percent of respondents have heard about Crypto currency, 35 percent are slightly familiar about the same and 20 percent are very familiar and only 5 percent are not at all familiar with Crypto currency.

Graph 4: Knowledge about cryptocurrency.



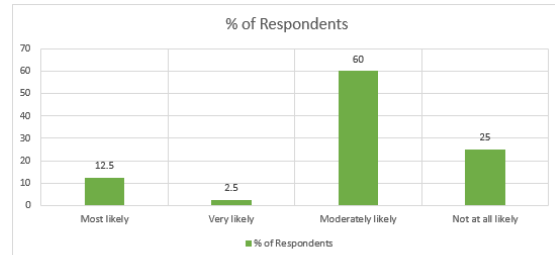
Source: Primary Data  
The chart 5 explains that 25 percent of respondents are of the opinion that there is much greater risk in crypto currencies, 55 percent are with the opinion of somewhat greater risk.

Graph 5: Risk analysis in crypto currency.



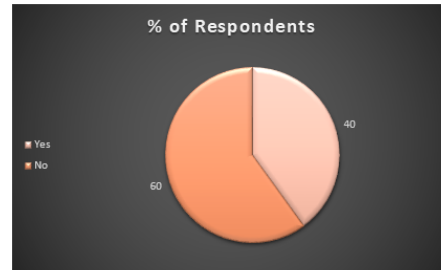
Source: Primary Data  
Out of 40 respondents, 52.5 percent of respondents have increased their usage of crypto currency. 47.5 percent yet to be increase their interest in these currencies.

Graph 6: Whether increased interest in the usage of crypto currency.



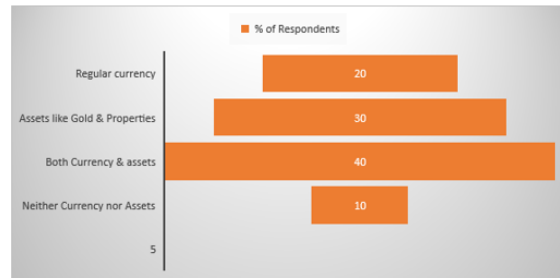
Majority (60%) of respondents are Moderately likely to use crypto currency in future. 25 percent are not at all likely to use them.

Graph 7: Decision on using crypto currency in future



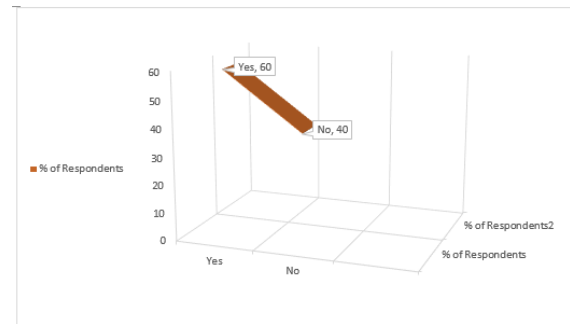
Source: Primary Data  
From chart 8 it is clear that 60 percent of respondents are not willing to use crypto currency if it is provided as tangible coins through banks and ATM which is readily available but remained non-government regulated. On the other hand, 40 percent of respondents are ready to take risk.

Graph 8: Provided as tangible coins through banks and ATM.



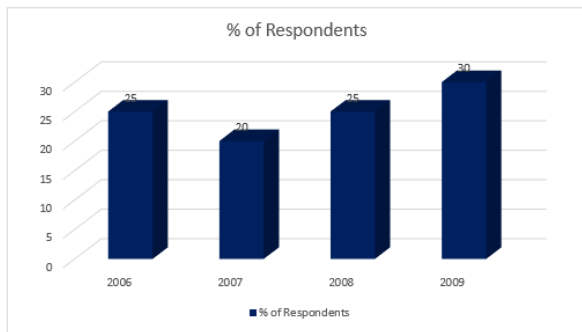
Source: Primary Data  
Graph 9 explains that 20 percent of the respondents would like to treat crypto currency as regular currency such as dollar, euro, rupee etc. 30 percent opined that, it should be treated as assets like gold and properties as a source for storing which will have an appreciating value. Whereas 40 percent responded that crypto currency should be treated both as currency for transactions as well as an asset. Only 10 percent of the respondents are of the opinion that with neither as currency nor assets.

Graph 9: Crypto currency as normal currency or asset.



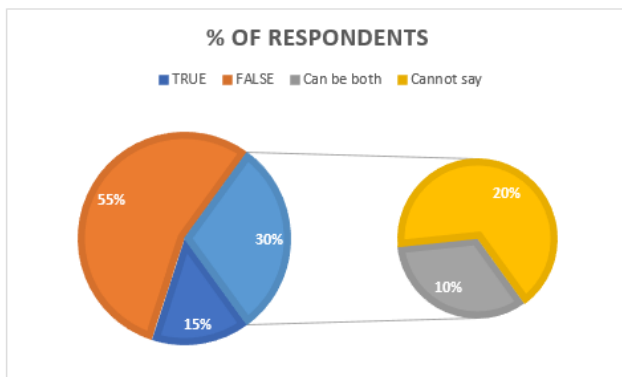
Source: Primary Data  
In this context, 60 percent of the respondents is aware that, currently crypto currency is not government regulated. The respondents are intended to use Crypto currency if it is Government regulated. On the other hand, 40 percent of respondents are not aware of non- government regulatory policy on Crypto currency. Thus, the interest of using Crypto currency among these people are limited.

Graph 10: Crypto currency if it is government regulated.



Source: Primary Data  
Bitcoin was invented in 2008 and came in use in 2009 January 9<sup>th</sup>. Only 25 percent of respondents is aware of invention year of Crypto currency. Majority of respondents, i.e., 30 percent responded that bitcoin was invented in 2009. Another 25 percent responded that it paved the way in 2006. Only 20 percent of respondents said that it was invented in 2007.

Graph 11: Response regarding bitcoin invention period.



Source: Primary Data

Graph 12: Response regarding bitcoins have central authority.

Graph 12 explains that majority of respondents (55%) says that Bitcoin doesn't have a Central Authority. 20 percent of respondents said that they don't have a spot full answer. There is a mindset of 10 percent of people who have an idea that the Bitcoin can be regulated by both central authority and without central authority. 15 percent of the respondents opined that Bitcoin have a Central Authority to regulate. One of the great benefits of crypto is that it can be used to exchange value between two parties. This can be done independently of any third-party, making the transaction freer and censorship-resistant.

Analysts estimate that the global cryptocurrency market will more than triple by 2030, hitting a valuation of nearly \$5 billion. Whether they want to buy into it or not, investors, businesses, and brands can't ignore the rising tide of crypto for long. But crypto can't seem to escape paradoxes anywhere. Past examples suggest countries that welcome crypto networks reap economic benefits through innovation, investment, jobs and taxes. Business benefits of adopting crypto as a digital asset include access to new demographics and technological efficiencies.

The future holds a lot of surprises but a little glimpse is in the form of cryptocurrencies and blockchains along with Metaverse and NFTs. Many countries are considering turning cryptocurrencies into legal tender or starting a central bank digital currency (CBDCs). Crypto debit cards and ATMs are also upcoming and being widely used in many parts of the world. The next big change in the world will be led by blockchain technologies and cryptocurrencies, and NFTs, Metaverse will have a major role to play," shares Soomaney.

#### 4. Source of Funding

None.

#### 5. Conflict of Interest

None.

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