A STUDY ON VIABILITY TRADING OF CRYPTO CURRENCY-PUBLIC PERCEPTION AT COIMBATORE CITY

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ABSTRACT

The main purpose of this digital currency has been to use it to exchange without any central authority by means of using Blockchain technology. The value of cryptocurrency is created by crypto users by means of trading and transaction. Cryptocurrencies are almost existing in worldwide but still it doesn’t able to identify its status whether it will ever attain the actual currency status or it will remain as a part of investment portfolio. To know the perception level and awareness of cryptocurrency the study has been carried out.

Keywords:Currency, Cryptocurrency, Analysis

I. INTRODUCTION

“Money is a source just to live; not a resource to lead”

In human’s history money plays a major role in all sorts of lifestyle for 3000 years. Before that time histographies generally agree a barter system. It is a replacement method of trading where goods and services are interchange directly from one another. For example, if a person A has wheat but wants to get some millets meanwhile, person B has millets wants to get some wheat if two persons can find each other and exchange goods, is called barter system. This problem of barter exchange where the economists called “double coincidence of wants”. After the barter system, in 770BC, the Chinese create object that resembles Modern day coin. This type of facility is called Mint in today. First official currency is minted in 600BC, these coins are made from electron a mixture of gold and silver that occurs naturally. Next the Chinese moved from coins to paper money. The shift of paper money has increased the amount of international trade. Next in 21st century it gave waves to two novel modes of currency:

Mobile payments

Virtual currency

Mobile payments are done through electronic device such as smart phones, tablets, cell phones. This type of payment technology can be used to send money and it also accepted by the retailers from sale point of view. Till here a cash is minted by the government and all the transactions are carried out by means of centralized system, but now we have gone one step ahead called virtual form of currency. This virtual currency has paved the way for cryptocurrency.

1.1 STATEMENT OF PROBLEM

As the cryptocurrency concept is banned in India for certain reasons under the budget 2021. It is clearly informed by our Finance Minister of our Indian Governments Mrs. Nirmala Sitharaman that “a new type of Bitcoin is going to be introduced in the fourth coming years”. The awareness about cryptocurrency are not widely familiar to people, so this project is based on Awareness study that how many people might know about cryptocurrency concept and also to analyse the currency fluctuations, as this concept is going to be in future.

1.2 SCOPE OF THE STUDY

The scope of this study covers the present scenario of bitcoin price drivers under speculative market behaviour. It covers the two aspects of period from April 2019-March 2021 i.e., we have taken before and after pandemic data
to know the status of cryptocurrency users and also to analyse the fluctuations in currency. This study also aims to analyse the public interest on bitcoin, which derives the volatility in the market and also explains the investors’ expectation in trading bitcoins. Since it is a challenging task to pinpoint this concept, by means of surveys and google forms, the result of this paper helps the researchers to understand theories in a better way and which also gives the people a fair and a viable knowledge in peer-to-peer network.

1.3 OBJECTIVES OF THE STUDY
The main objective of this paper is to investigate the bitcoin price drivers of respondents among people. This purpose of this study implies with the three key factors such as:

- To know the knowledge level of cryptocurrency.
- To determine the viability of bitcoins
- To know problem of respondents towards the trading by crypto currency.

1.4 Research Methodology

METHODS USED FOR DATA COLLECTION

- Primary data
- Secondary data

Tools used for analysis

- Percentage analysis
- Chi-square Test

II. REVIEW OF LITERATURE

- **Shailak Jani (April 2018)** Carried out the study to Examined the huge growth in number of online users has activated virtual concepts and created new business phenomenon in crypto markets to facilitate the financial activities such as buying, selling and trading. The author says that confidence level of users in cryptocurrency is not fully controlled and regulated in a time. He concludes that the future of cryptocurrency concept is hope full one to bring positive changes in e-business and e-payment sectors.

- **Blesson James** and **Manijari Parashar (April 2018)**examined that ‘Crypto is an innovative concept of decentralized virtual currency. It has turned out to be a new avenue of investment instrument in India similar to gold’. And the project states that crypto is such an invention which has become a global phenomenon. The author concludes that a future of crypto in India looks promising and there is a ray of hope.

III. OVERVIEW OF THE STUDY

Below are the history details of cryptocurrency how it is generated and become a peer- to-peer network in digital world.

**Context**

1983 – American cryptographer **David Chaum** introduced electronic money called **e-cash**.

1995 – David Chaum implemented it through **Digi cash**


1998 – **Wei Dai** published a description of “b-money”.

2009 – The First decentralized cryptocurrency, bitcoin was created by presumably pseudonymous developer **Satoshi Nakamoto**.
The satoshi nakamoto identifies that transaction in our economy is purely based on intermediatory one. There is always a third-party present when money is transferred from one to another. This third party often be bank or any other financial institution which doesn’t uses the more time of people but also the charges involved in these intermediaries are essentially an unwanted burden to people and time taken for the transaction are intermediary high and also to solve back of trust between people he introduced a concept called blockchain technology. Cryptography a traditional technology which is used to secure data or information from being pilfer or exploit. In Cryptography, the data is encrypted in form of ciphertext and then decoded, so that it can be understandable by the user.

The following picture is representation of cryptography

Encryption Decryption

Key Key

Blockchain

Blockchain has taken the digital world like storm with the ascent of bitcoin. The heart of Bitcoin is the Blockchain Technology which is an open and distributed ledger can record transaction between two parties efficiently. This ledger itself can also be programmed to activate transaction automatically. Cryptocurrency is the backbone of blockchain technology which is basically an encrypted database transaction which shared among all public networks and it is also verified by user. This technology has prominent implications for many industries but has already had fast effects on the currency and financial areas.

IV. ANALYSIS AND INTERPRETATION

4.1 RESPONDENTS OPINION ON ADVANTAGES OF BITCOIN

<table>
<thead>
<tr>
<th>GRADE</th>
<th>LOW TRANSACTION COST</th>
<th>ELIMINATION OF BANKS</th>
<th>NO TAX</th>
<th>VIRTUAL CASH</th>
<th>BLOCKCHAIN TECHNOLOGY PRIVACY KEYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXCELLENT</td>
<td>38</td>
<td>24</td>
<td>28</td>
<td>23</td>
<td>47</td>
</tr>
<tr>
<td>VERY GOOD</td>
<td>33</td>
<td>48</td>
<td>26</td>
<td>47</td>
<td>23</td>
</tr>
<tr>
<td>GOOD</td>
<td>27</td>
<td>24</td>
<td>41</td>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>AVERAGE</td>
<td>12</td>
<td>14</td>
<td>15</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>110</td>
</tr>
</tbody>
</table>

V. INTERPRETATION

The above table states that out of 110 respondents, 38 of the respondents have opted as excellent for low transaction cost, 48 of the respondents have opted as very good for elimination of banks, 41 of the respondents have opted as good for no tax, 47 of the respondents have opted as very good for virtual cash and 47 of the respondents have opted as excellent for blockchain technology (private keys).

Majority of the respondent opted for the reason of elimination of banks

4.2 RESPONDENTS PROBLEM IN USAGE OF BITCOIN

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>SLOW AT PROCESSING TRANSACTION</th>
<th>ACCOUNT NAME IN FORM OF CRYPTOGRAPHIC KEYS</th>
<th>NOT A STORE OF VALUE (NOT)</th>
<th>FIXED SUPPLY OF BITCOIN</th>
<th>THREAT OF ONLINE HACKING</th>
</tr>
</thead>
</table>


VI. INTERPRETATION

The above states that out of 110 respondents, 50 of the respondents have opted as accepted for slow at processing transactions, 44 of the respondents have opted as accepted for account name in form of cryptographic keys, 39 of the respondents have opted as neutral for not a store of value, 46 of the respondents have opted as accepted for fixed supply of bitcoins and 41 of the respondents have opted as neutral for threat of online hacking.

Majority of respondents accepted that it is slow at processing transaction.

4.3 RESPONDENTS VIEW ON INDIAN GOVERNMENT DOESN’T ACCEPT CRYPTOCURRENCY BY MEANS OF TAX FRAMEWORK:

<table>
<thead>
<tr>
<th>S.NO</th>
<th>BY MEANS OF TAX FRAMEWORK</th>
<th>NO.OF. RESPONDENTS</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>YES</td>
<td>100</td>
<td>91</td>
</tr>
<tr>
<td>2</td>
<td>NO</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>110</td>
<td>100</td>
</tr>
</tbody>
</table>

The above states that out of 110 respondents, 100 of the respondents have opted YES for Indian government doesn’t accept cryptocurrency by means of tax framework and 10 of the respondents have opted NO for Indian government doesn’t accept cryptocurrency by means of tax framework.

Majority of the respondents have opted YES for Indian government doesn’t accept cryptocurrency by means of tax framework.

VII. STATISTICAL ANALYSIS

CHI-SQUARE

- Chi-square test has been calculated based on the perception level of respondent’s Viable knowledge of cryptocurrency.

- Level of perception has been classified into high, medium and low satisfied for the actual score for the chi-square calculated value.

EDUCATION WITH KNOWLEDGE LEVEL

- In order to find the education with knowledge level of respondent’s chi-square test is used and the result of the test is given below.

- Education with the knowledge level of respondents were tested with the help of following hypothesis.

- H0 – The Education with knowledge level of respondents is independent

- H1 – The education with knowledge level of respondents is dependent

CHI-SQUARE TEST
EDUCATION WITH KNOWLEDGE LEVEL

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>CALCULATED VALUE</th>
<th>TABLE VALUE</th>
<th>DEGREE OF FREEDOM</th>
<th>SIGNIFICANT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education with knowledge level</td>
<td>284.04</td>
<td>12.59</td>
<td>6</td>
<td>5%</td>
</tr>
</tbody>
</table>

- Since the calculated value is greater than the table value where the result is significant at 5% level the H1 hypothesis is accepted, and it concludes that the education with the knowledge level is dependent.

VIII. FINDINGS OF THE STUDY

- Majority of the respondent opted for the reason of elimination of banks
- Majority of respondents accepted that it is slow at processing transaction.
- Majority of the respondents have opted YES for Indian government doesn’t accept crypto by means of tax framework
- The chi-square test shows the relationship between the education with knowledge level is significant at 5% level

IX. SUGGESTIONS

- As cryptocurrency is a part of decentralized system and it is available across the globe, so it is aptly required to regulate its use to stabilise its demand, as it is very volatile in nature.
- As Cryptocurrency is the most innovative technologies of the world currently, so imposing complete ban on it, will be a loss to the millennial generation to learn and experience such innovative product. Therefore, its regulation is justifiable.
- It is advisable and recommendable to conduct an awareness about cryptocurrency on large scale to have extensive idea about people's perception. So that it can provide a base for the Government and its regulatory agencies to make their decisions properly.
- People in general are aware of the cryptocurrency and they would like to see it as a part of their investment portfolio as it provides good return. But they are not willing to invest in cryptocurrency due to cryptographic keys and the lack of regulation from government and regulatory authorities. If Government of India and its regulatory authorities come forward to regulate its use and transaction in financial market, it can play a major role in entire investment portfolio.
- If the government takes advisable measures, the threat in online hacking can be resolved.

X. CONCLUSION

As it is well known that Cryptocurrency is the product of all new age innovative technologies, and many countries of the world have already regulated its use in day-to-day business and many countries are coming forward to regulate its transaction in financial market. Even Its nature is fully digitalized with the help of blockchain technology so, the cryptocurrency has a tremendous role to play in the mere future. Many people restrict themselves in buying a cryptocurrency asset due to its flaws and proper measures will be taken to overcome the problems. If people believe in this system as a whole, this would be the master of the digital world. So, Indian Government and its regulatory authority should come forward and take steps to regulate the transactions of Cryptocurrency as investment option

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