

## **What are "Bitcoins": All you need to know about them**

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**Bitcoin is the world's most popular virtual currency which allows the people to buy the goods and the services and exchange money without involving the banks, credit card issuers or the other third parties.**

Bitcoin was launched in 2009 by a person or group of people operating under name Satoshi Nakamoto. Bitcoin was then adopted by a small clutch of enthusiasts. Nakamoto dropped off the map as bitcoin began to attract widespread attention. But the proponents say that doesn't matter, currency obeys its own internal logic.

An Australian Entrepreneur in 2016 stepped forward and claimed to be founder of Bitcoin, only to say days later that he did not have courage to publish proof that he is.

Having been used by hackers to demand ransom and for purchase of illegal drugs online. It has recently become more popular with a different crowd that is the speculative investors.

As its price keeps rising, here's a brief look at what exactly are Bitcoin's.

### ***HOW BITCOINS WORK?***

Bitcoin is a digital currency that is not tied to the Bank or Govt. and allows users to spend the money anonymously. Coins are created by the users who "mine" them by lending the computing power to verify the other users' transactions. They receive the bitcoins in exchange. Coins can be bought and sold on the exchanges with U.S. dollars and the other currencies.

### ***HOW MUCH IS IT WORTH?***

One bitcoin trades for \$10,886, according to Coindesk which is a website that monitors its price. That's a more than ten-fold increase from start of 2017, when it was worth under \$1,000. Value of the bitcoins can swing sharply, though. Bitcoin's value plunged by 22 percent against Dollar in just three days in November,2017.

### ***WHY BITCOINS ARE POPULAR?***

Bitcoins are basically lines of the computer code that are digitally signed each time they travel from one owner to the next. Transactions can be made anonymously, making currency popular with the libertarians as well as tech enthusiasts, speculators and criminals.

## ***IS IT REALLY ANONYMOUS?***

Yes, to a point. The transactions and the accounts can be traced, but account owners aren't necessarily known. However, the investigators might be able to track down owners when the bitcoins are converted to the regular currency.

## ***WHO'S USING BITCOIN?***

Some businesses have jumped on bitcoin bandwagon amid a flurry of the media coverage. Overstock.com accepts payments in bitcoin.

U.S. Exchange Operator CME Group stated in October,2017 that it plans to open a futures market for currency before end of 2017, if it can get approval from the regulators. Still, its popularity is low compared with cash and cards, and many individuals and businesses won't accept bitcoins for payments.

Some high-profile banking executives have spoken against the bitcoins like JPMorgan Chase CEO Jamie Dimon calling it a "fraud."

## ***HOW BITCOINS ARE KEPT SECURE?***

Bitcoins network works by harnessing the individuals' greed for collective good. A network of the tech-savvy users called miners keep system honest by pouring their computing power into a block chain, a global running tally of every bitcoin transaction.

Blockchain prevents rogues from spending same bitcoin twice, and miners are rewarded for their efforts by being gifted with occasional bitcoin. As long as the miners keep blockchain secure, counterfeiting shouldn't be an issue.