



EVALUATE THE USAGE OF CRYPTOCURRENCY

Commerce

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ABSTRACT

The most common and well-known cryptocurrency is that Bit coin. The basic structure has been created in 2008. Due to many reasons its demand has been initially increasing day by day. Cryptocurrency is a very convenient tool to exchange the value without the help of any middleman. Relevance of the cryptocurrencies have been increased due to the privacy, security, economical aspects, easy mechanic, trustful etc. which indicates the acceptance of cryptocurrency in globally. The growing trend of the usage of the cryptocurrency will make an abundant change in the global market. This research paper deals to know the influential factors and restricted factors for the usage of cryptocurrency. SPSS and SEM used for this study.

KEYWORDS

Digital Currency, Bit Coins, International Market, Money Exchange Companies

INTRODUCTION:

Information and communication technologies have made an impact in financial and business sectors. Number of online users have increased. They are aware of the new concepts like virtual world, and they are able to set up their own business strategies. The main noted financial tool in today's world is crypto currency. Cryptocurrency is a digital currency. It acts as a medium of exchange in both virtual transactions, and in real transactions. Cryptocurrencies are used in online social network, online social games, virtual worlds and peer to peer networks. It uses an advanced encryption technique called cryptography for the safe and secure financial transactions. It is used for transferring assets.

Cryptocurrency made an power full challenge in the economic world. Cryptocurrency is in a unique position to challenge that power. Especially China competing for their currency to become global reserve. Cryptocurrency have a priority to gain the dominance to promote its decentralised feature.

The global economy is inevitably moving towards a digital eco system. Everything is going paperless. Cryptocurrencies are the newest promise in financial sector. crypto currencies are fraud proof, it secures secure digital transactions, they go for instant settlements, they are accessible and there are no middlemen in this digital money transfer. It is considered as the future currency, so a thorough study may help us find out the pros and cons of using cryptocurrencies.

Bitcoin has strength by design to make it a viable currency that has elevated it in status over the years, more notably the fixed limit of bitcoin that will exist. Bitcoin will be mined with diminishing returns every four years until the maximum number of bitcoins are reached: a total of 21 million (King, 2013). This aspect of Bitcoin is important for its value. Due to the limited amount of bitcoins, it will never become inflated from an overabundance of bitcoins. Also, bitcoin and other cryptocurrencies are generally regarded as being protected from inflation originating from national government changes or restrictions (Magro, 2016).

Cryptocurrency has a lot of advanced advantages. The usage of cryptocurrency increased day by day. Which plays an important role in advanced financial markets. There by which can integrate the whole world into a single mode of transaction. This will eliminate the role of third party.

Recently technology made a huge impact on payment through contactless and mobile payments along with online banking. But these inventions cannot structurally change our banking systems in a fundamental way. Cryptocurrency is a brand-new concept. The analysis of current cryptocurrency systems its challenges and future possibilities may lead us to a better understanding about the concept and we will be able to take part in this new movement with great confidence and knowledge.

REVIEW OF LITERATURE:

Jaysing Bhosale and Sushil Mavale (2018) 'Volatility of select Crypto currencies: A comparison of Bitcoin, Ethereum and Litecoin',

Jaising Bhosle describes that, With the increasing use of cryptocurrency and its volatility, cryptocurrencies are being adopted across world. It is used for various transactions both legal and illegal. The returns earned from crypto currency investments in recent times were huge but there has always been a question on their existence and credibility.

Peter D DeVries(2016) conducted a study on the analysis of cryptocurrency, Bitcoin and its future. He state that the cryptocurrency is based on peer-to-peer network. While which is not replace traditional fiat currency. This study conducted SWOT analysis. The high rate of bitcoin flow induce the vendors to accept to accommodate customer needs. It is a cyclical effect. More users will use it to capitalize on its benefit when the vendors adopt the cryptocurrency technology. Cryptocurrency's ability to be traded like a commodity is also considered as a weakness. Value fluctuation effect the investors trust in the commodities. Taxation policies of cryptocurrencies are ensure the validity of the transaction.

Halburt and Bojanova(2014) innovations in technology helps the people to do the international transaction with a single click. It will effect the global scale. Nearly Amazon created their on coinage to capture the digital advancement. Invention of Bitcoin create a challenge for money exchange companies.

Brett Scott(2016) the invention of bitcoin and its underlying blockchain technology create a tremendous change in the financial market. This paper deals with the discussion about the technology advancement, financial inclusion, cooperative structure and micro insurance system. This study mainly focus on the term Blockchain 2.0 Technology.

OBJECTIVES

1. To find out the factors influencing the use of cryptocurrency.
2. To find out the restrictions in using cryptocurrency.

RESEARCH METHODOLOGY:

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. Structured questionnaire is used to collect primary data.

In the present study a structured presented questionnaire was used as the tool to collect data from the selected respondents. The first part of the questionnaire contains questions on personal profile which includes age, gender, marital status, income and occupation. The second section contains question related to the influencing factors for the adoption of cryptocurrency and the reason for the restricted use of cryptocurrency.

DATA ANALYSIS AND INTERPRETATION:

The method used in the study is exploratory as it utilizes scoring of the variables. The collected data contains both the qualitative and quantitative data. Accordingly, the study uses both qualitative and

quantitative techniques for the analysis of data. The statistical analysis comprised of two stages. The first stage examined the descriptive statistics of the measurement items and assessed the reliability and validity of the measure applied in this study. The second stage tested the proposed research model and this involves assessing the contributions and significance of the manifest variables path coefficients. The data were analyzed via SPSS 20.0 for Windows.

Objective 1: To find out the factors influencing the use of cryptocurrency.

H₁: Easier International Trade is an influential factor to for the adoption of Cryptocurrency.

H₂: Adaptability is an influential factor to for the adoption of Cryptocurrency

H₃: Privacy & Security is an influential factor to for the adoption of Cryptocurrency

H₄: Reliability & Trust is an influential factor to for the adoption of Cryptocurrency`

H₅: Efficiency is an influential factor to for the adoption of Cryptocurrency`

H₆: Economical Aspects is an influential factor to for the adoption of Cryptocurrency

H₇: Decentralisation is an influential factor to for the adoption of Cryptocurrency

Table 1. Regression coefficient

Path	Estimate	CR	P	Variance explained
Easier International Trade-> Influencing factors	0.953	26.155	<0.001	90.8
Adaptability -> Influencing factors	0.859	18.099	<0.001	86.2
Privacy & Security -> Influencing factors	0.886	19.692	<0.001	97.3
Reliability & Trust -> Influencing factors	0.973	30.117	<0.001	94.7
Efficiency-> Influencing factors	0.987	35.296	<0.001	78.5
Economic Aspects-> Influencing factors	0.929	23.173	<0.001	73.8
Decentralisation-> Influencing factors	0.988	35.861	<0.001	90.8

(source: survey data)

Easier International Trade, Adaptability, Privacy & Security, Reliability & Trust, Efficiency, Economic Aspects, Decentralisation are the influential factor to for the adoption of Cryptocurrency.

Objective 2: To find out the restrictions in using cryptocurrency

H1: Cyber security issue is the reason for restricted usage of cryptocurrency

H2: No facility for refund is the reason for restricted usage of Cryptocurrency

H3: Lack of regulations is the reason for restricted usage of Cryptocurrency

H4: Lack of knowledge is the reason for restricted usage of Cryptocurrency

H5: Highly volatile is the reason for restricted usage of Cryptocurrency

H6: Problem of scaling is the reason for restricted usage of Cryptocurrency

H7: Risks involved is the reason for restricted usage of Cryptocurrency

H8: Uncertainty is the reason for restricted usage of Cryptocurrency

Table 2. Regression coefficient

Path	Estimate	CR	P	Variance explained
Cyber security issue-> Reason for RU	0.724	12.857	<0.001	52.4
No facility for refund-> Reason for RU	0.542	8.519	<0.001	29.3
Lack of regulations-> Reason for RU	0.361	5.306	<0.001	13.0
Lack of knowledge-> Reason for RU	0.758	13.916	<0.001	57.4
Highly volatile -> Reason for RU	0.358	5.258	<0.001	12.8
Problem of scaling-> Reason for RU	0.177	2.511	0.013	3.1
Risks involve-> Reason for RU	0.362	5.322	<0.001	13.1
Uncertainty -> Reason for RU	0.707	12.368	<0.001	50.0

(source: survey data)

Cyber security issue, No facility for refund, Lack of knowledge, uncertainty are the reason for restricted usage of Cryptocurrency

FINDINGS:

Cryptocurrency is globally accepted mode of transaction. Which mainly eliminates the fear of loss of cash and can be transfer or exchange with security. The best ever convenient method to exchange the currency. No need of any third party, which also can save transaction cost. Easier International Trade, Adaptability, Privacy and Security, Reliability and Trust, Efficiency, Economic Aspect and Decentralisation are the influential factors to adopt cryptocurrencies. At the same time lack of regulation, highly volatile, problem of scaling, risk and no facility for refund are the factors to restricted the usage of cryptocurrency.

CONCLUSION:

Cryptocurrency is accepted all without the gender differentiation or age differentiation. This term also associated with investment, curiosity and wealth and more related to digital currency. More than half percentage of people considered as credit card or cash. Advancement of cryptocurrency is related to innovative technologies. There are lot of advantages to the people while using cryptocurrency or digital currency, especially due to international trade. This study found that there are numerous advantages or influential factors to choose cryptocurrency.

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FOOTNOTES

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