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**Extended Abstract of Bachelor Thesis**

**Bitcoin and other virtual currencies**

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## **Summary**

In the thesis will be described the virtual currencies, where they are stored, how to safe them and why they are needed? Consider the virtual currencies that are popular nowadays. Will be evaluated and compare these electronic currencies, choose the best one. Also compare how popular they are nowadays and what is the fee on their transfers to other countries

Due to the fact based on mathematical principles, virtual currency, particularly Bitcoin , are attracting increased interest, there is 2 common points of view:1) virtual currency is considered a springboard for the future development of payment systems; and 2) virtual currencies in the hands of cybercriminals persons involved in the financing of terrorism and other illegal elements trying to circumvent punishments become a new massive inventory for the movement and preservation of foreign exchange in such a way that they are beyond the reach of law enforcement and other competent authorities. Consider the most famous electronic currencies and do an analysis for whom they are provided?

**Keywords:** Bitcoin, money , bank, virtual currency ,business , fees , math, price ,stock, wallet, transaction

## **Objectives**

The purpose of this thesis is to examine what are virtual currencies, to assess the current international situation and compare how many people use electronic currency and which one, is most popular and safe? The goal is also to assess the solutions to the preservation of funds in electronic currency in a secure form . Try to make predictions for the future process of growth or decline in the popularity of e-currency, and conduct a survey of how many people nowadays use e-currency in everyday life and which one?

## **Methodology**

Theoreticl part will be focused on basic knowledge about e-currencies, how they work. Review of the history appearance of cryptocurrency, what important components affect to the prices and demand, find out when the first cryptocurrencies appeared and how e-currencies could interest many people.

In practical part, let's consider the trend of growth of new currencies, such as Bitcoin. Will be analyzed the charts with the rise in Bitcoin prices over the past 5 years. In the thesis was made an attempt to predict the further development of the situation in the

cryptocurrency market through a survey of users in the social network. Mathematical and statistical analyses will also be carried out to identify the percentage of protection of the most famous electronic currencies. Big role in the modern world are playing other virtual currencies, which are regularly used by every third person. For example, Qiwi, Yandex Money and WebMoney. Why is it convenient to use these Internet services? What are the pluses and minuses. What are the main criterias for choosing a specific service? Consider different life examples, talk about the needs of age groups and on the basis of this will be concluded about the interest in a particular type of Internet service.

### **Main findings**

During the practical part, conducted research among cryptocurrency, find out what attracts people to investment of money in cryptocurrencies, as they changed the price on the most popular currency - bitcoin, what are these jumps in price. From our research, it is possible to answer the question, why do people buy bitcoin and other cryptocurrencies? Everything is simple, most of the people surveyed see it as a logical investment of money on an equal basis with the purchase of gold or silver, as for the rest of the people, they believe that the future for the use of cryptocurrency. What are the jumps in the price of bitcoin? Every day in our world there are new inventions that are able to displace old ones as they have qualities that are necessary and practical for modern man. And cryptocurrencies, every day there are new ones that are able to compete with bitcoin. New currencies have a lower amount due to the fact that they are new and are not yet known to anyone, and are more affordable. What about bitcoin in this situation? Demand for it falls, respectively, and the price of this currency falls. Also have been found the comparison of virtual currency security and cryptocurrency security on the example of bitcoin by AHP model.

### **Conclusion**

By qualities, electronic money can partially replace or even completely displace cash in the calculations. The Central banks of most countries are very wary of the development of electronic money, fear of uncontrolled emissions and other possible abuses; although the electronic cash can provide many advantages (speed, ease of use, greater safety, lower transaction fees). In addition, rather complex technologies are used for the circulation of electronic money, and commercial banks do not always want and are able to independently

develop new products. Complete displacement of real money from circulation and the introduction of a full - fledged virtual currency-it's not the farthest future. Now that there is technology to create a decentralized, fully distributed currency, there is no doubt: systems like Bitcoin have definitely come to stay.

Thus, can be concluded that the best option today is to use cryptocurrency to buy or sell anything. Since today it is the safest currency and do not necessarily authorize your identity and it is much faster. But there is one big thing : the cryptocurrency market is not stable and no one knows what will happen tomorrow . So my advice today is do not invest in any well-known cryptocurrency because it just might fall off if you want to own cryptocurrency it is better to buy the kind which has just been published . Because judging by the results, new cryptocurrencies are growing in price. I believe that in the future world will go to a new level and all will use the cryptocurrency as it is convenient and fast , and the currency market should become more stable , I also believe that bitcoin will fall in price because every day there is some new cryptocurrency and people invest in it money and potetomu it quickly begins to grow. But if in the future world will use cryptocurrency, it should somehow be rigged by the state because authorization is not needed and no one will know that it is yours transfer of money , anonymity is good , but still if it turns out to be terrorists or what kind of people are hiding from taxes and so on. If it is not regulated in any way then it will do more harm than good.

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