

Bitcoin - intro

Bitcoin (฿), a recent innovation in the world's financial markets.
Bitcoin has aspirations to become money/currency.

A currency has three basic functions

- ▶ Facilitate transactions
- ▶ Store of value
- ▶ Unit of account

To what degree does Bitcoin match the common uses of currency?

Bitcoin – Issues

- ▶ How does it work?
 - ▶ Cryptographic basis
 - ▶ Need for a public basis – infrastructure of computing
 - ▶ What does it take to become money?
- ▶ What is it used for?
 - ▶ Transactions
 - ▶ Store of value / Investment asset
- ▶ Issues
 - ▶ Risk of failure (technical)
 - ▶ Systemic risk
 - ▶ Regulatory risk