



Crypto currency and its impact on Indian Economy

Mr. Rakesh B. Bhoir

Head & Assistant Professor

B.K.Birla College, Kalyan

Abstract

Today's world is more digitalised. The achieving rapid economic growth and development most of the nation uses information and communication technologies. Crypto currency is one of the form of virtual activities. It is a digital currency that is secured by cryptography, which makes it nearly impossible to double spend. A huge number has activated virtual word concepts and created a new business phenomenon which is known as croptocurrency. This paper investigates about cryptocurrency and its positives and negatives impact on Indian Economy.

Key Words: Crypto, Economic Growth and Development, Information and Technology.

Introduction

Since the beginning in 2009, the implementation of the croptocurrency has been very outward to the community. The new form of digital currency has established itself as a popular and practicable source of currency across the world. Different forms of cryptocurrency were invented to serve as an alternative source of currency. Bitcoin was the first decentralized cryptocurrency created in the year 2009. It does not type of any physical form. It is completely a digital value. Bitcoin and Altcoins are the types of croptocurrency. Bitcoin is a decentralised first digital currency created by an unknown person using the alias Satoshi Nakamoto. Altcoins are the crypto currencies other than Bitcoin. Crypto can be used as cash equivalent for transactions and other business.

Objectives

The objectives of this study are as follows.

- To learn concept of cryptocurrency.
- To understand the various modes of digital currencies in India
- To study the impact of cryptocurrency on Indian Economy.

METHODOLOGY:

The present study is based on secondary source of data. Secondary data that would be collected with the help of appropriate and relevant information. Handbook of Indian Government, Reports and Budget documents, different website, local print and media sources some of the many for the data and reference work. Articles and Research Papers published in National and International Journals like Journal of Public Choice, Journal of Development, Journal of Political Economy, Journal of Economic Studies, Economic and Political Weekly are to be referred authenticate the propositions.

Bitcoin (BTC)

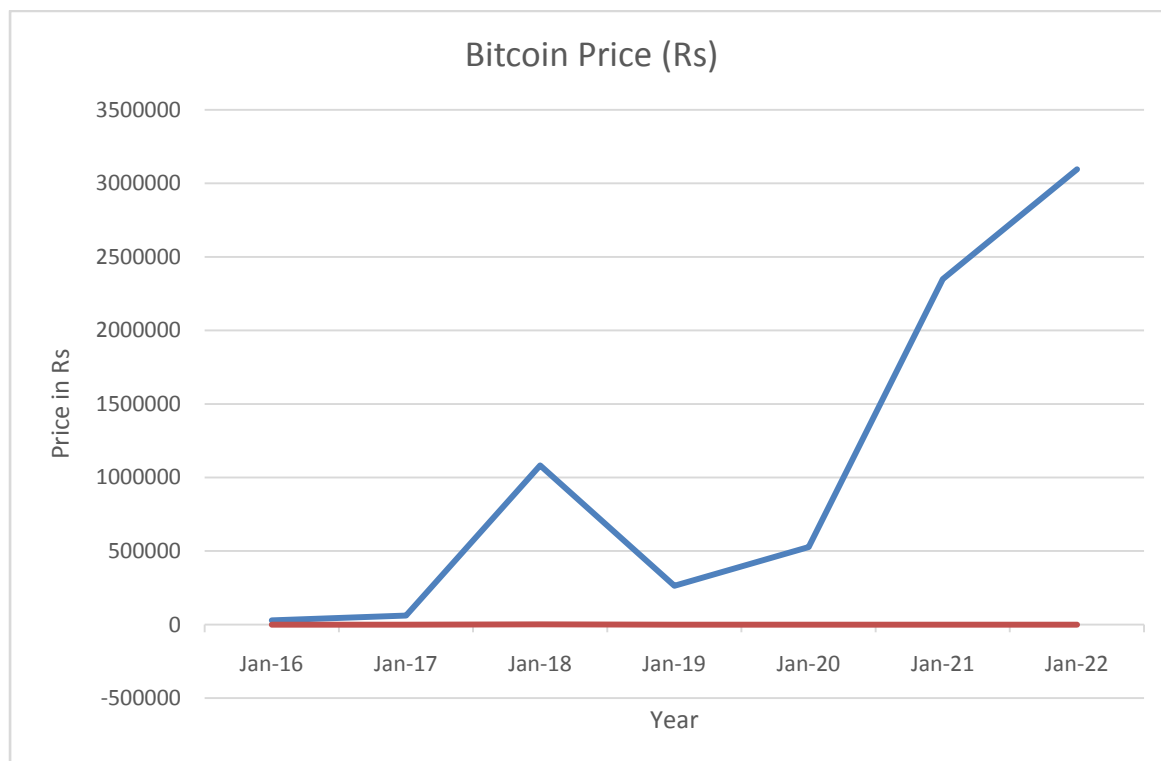
Bitcoin is a decentralised first digital currency created by an unknown person using the alias Satoshi Nakamoto. In recent past year Bitcoin is very famous among the crypto currency. In following table shows the last seven years trends in Bitcoin Price in IRN.

Bitcoin Price in IRN (Table: 1.1)

Year	Price (Rs)	Percentage Change
Jan 2016	28820	-
Jan 2017	61930	114.88
Jan 2018	1082930	1648.63
Jan 2019	264099	-75.61
Jan 2020	527263	99.64
Jan 2021	2349908	345.68
Jan 2022	3096242	31.76

Source: coinmarketcap.com

In the above table indicates price of Bitcoin in the year 2016 to 2022. The price of bit coin is more volatile. We can see the percentage change in price of Bitcoin is uncertain change from the year Jan 2016 to Jan 2022. The highest change was 1648.63% in year 2018. And lowest change was -75% in the year 2019 due to Covid-19.



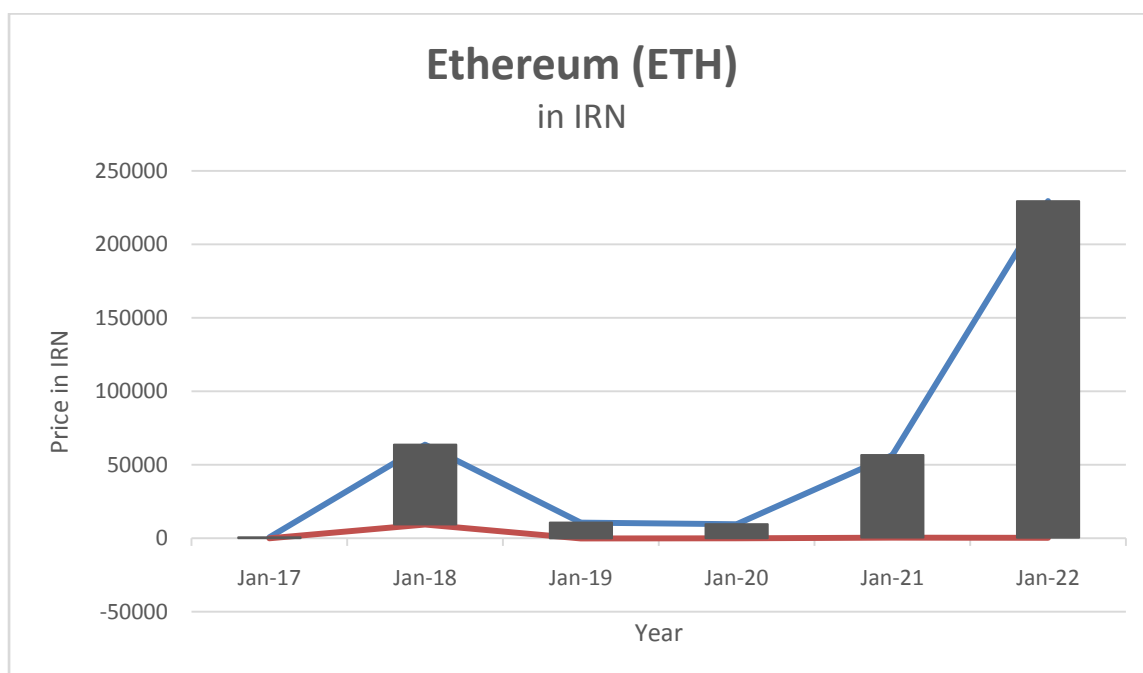
Ethereum (ETH)

Ethereum is a decentralized open source block chain with smart contract functionality. It is the native crypto currency of platform. It is second after Bitcoin in market capitalization. In following table shows the last seven years trends in Ethereum Price in IRN.

Ethereum Price in IRN (Table: 1.2)

Year	Price (Rs)	Percentage Change
Jan 2017	675	-
Jan 2018	63756	9345.33
Jan 2019	10729	-83.17
Jan 2020	9625	-10.28
Jan 2021	56668	488.75
Jan 2022	229495	304.98

Source: coinmarketcap.com



In the above graph indicates price of Ethereum in the year 2016 to 2022. The price of Ethereum is also more volatile. We can see the percentage change in price of Ethereum is uncertain change from the year Jan 2016 to Jan 2022. The highest change was 9345.33% in year 2018. And lowest change was -83% in the year 2019 due to Covid-19.

Impact of Cryptocurrency on Indian Economy.

Cryptocurrency is the new platform for investment. It is the new buzzword in the Indian capital market. The popularity of Bitcoin in the country can be evaluated from the fact that the highest number of crypto investors in the world. It is said that India is the youth country. That's way the youth is driving crypto growth rapidly. Following are the significant impacts of crypto currencies on Indian economy.

❖ Transparency in Transaction

“Money is what money does” is the said that professor Crowther. That means today money is widely exchanged electronically. There is no any mediator. Cryptocurrency enhances transparency where every transaction can be traced to the source. This means that transaction histories are permanent and unalterable. This can help bring the transparency in exchanges.

❖ Increase in Employment

The crypto industry provides new opportunities for employment. It employs about 50,000 jobs for individuals. India has a strong talent of technology professionals and experts. In recent years India has become a major hub and global destination for the cryptocurrency market. This will help create more job opportunities in the IT and other services. In coming years the cryptocurrency market continues to lead to increasing the employment rate across the country.

❖ Boost for Financial Sector

Cryptocurrency is related to the financial sector. India has a strong base of information and technology. It can bring possibilities in terms of new business opportunities in financial sectors. In the recent budget of the central government, strong regulatory measures and laws for an official digital currency were created. This will provide a huge boost to the financial sector.

❖ Enhance Digital Payments

Cryptocurrency is a part of digital currency. Its transactions are both time and cost effective. The transactions are carried out between the sender and receiver without any agents or third parties. The transaction charges levied by intermediaries like banks and payment gateways are eliminated. This will help bring down the cost of the transaction. Therefore, it leads to enhanced digital payments in the economy.

Conclusion

In the present era, we cannot ignore the presence and significance of cryptocurrency in the economy. The Indian government has acknowledged the importance of cryptocurrency. No doubt in the future, cryptocurrency will become the primary player driving the country's economy. The future of the financial sector in India, opening up new possibilities of attractive career opportunities. Today, cryptocurrency is such an invention which has become a global phenomenon. The number of investors in cryptocurrency is increasing over the last few years. As a result, the Indian government has taken responsible steps to regulate such currency. In conclusion, the future of cryptocurrency in India looks promising.

Reference

- ❖ Kurihara, Y., & Fukushima, A. (2017). The Market Efficiency of Bitcoin: A Weekly Anomaly Perspective. *Journal of Applied Finance & Banking*, 57-64.
- ❖ Wonglimpiyarat, J. (2016). The New Darwinism of the Payment System: Will Bitcoin Replace our Cash based Society? *Journal of Internet Banking and Commerce*, 1-15.
- ❖ Krishna Kumar Thakur & Dr. G.G. Banik, Cryptocurrency: It's Risks and Gains and The Way Ahead, 9 *IOSRJEF*, 42, (2018).
- ❖ Paras Vishwakarma & Mr. Zohaib Khan & Dr. Taruna Jain, Cryptocurrency, Security Issues and Upcoming Challenges to Legal Framework in India, 5 *IRJET*, 215 (2018).