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Science & Technology

1. The crypto currencies have always been subject to extreme price swings and the crypto crash could be the end of the road for cryptocurrencies. Comment. (200 words)

Crypto currencies are the currencies which are backed by online transactions and private parties. It works on the basis of blockchain technology and distributed ledger system. For Ex: Ether, Bitcoin etc.

Crypto currencies are produced by way of

① Mining

② Accepting transactions which are made online

③ One to one transactions etc.,

In this, out of the three, mining is getting crypto currencies without spending our money. It is a reward like thing.

If mining activity get done on a large scale there will be huge supply of crypto currencies in the market.

It will result in the depreciation in value of crypto currency.

If ~~the~~ supply was less supply, then its price will
be more.

Some cryptocurrencies are backed by government
For Ex: Ecuador has legalized crypto currency -

China has its own digital currency. But
both the examples are different. In the first one,
it provides stability to the crypto market. In the latter,
the currency itself is a stable thing. So it directly
links to the government's token currency.

Some crypto currencies not yet legalized and not
backed by any country, so it results in fluctuations.

Crypto Crash and end of Crypto currency:

Crypto currency backing is 99.999% impossible
but it was completely immune to hacking or blackhat.

So if anything backed in the crypto currency, the
entire information of the users will be available in
the hands of hackers.

India has ^{been} testing the crypto transaction but it also clearly announced that it ^{is} not yet legalized.

So consumers were confident of legalisation in the future but the government didn't legalize then it will crash the crypto market.

In the former it was bull or completely dangerous to the users, in the latter it will result in collapse of ^{crypto} market but not complete crash.

Crypto currency market must be regulated by multi member body and multi body organisations, so as to keep a check on collapse of them. ^{Govt} ~~It~~ can reap the benefits of crypto in its own digital currency market.