

B Cryptocurrencies are decentralized digital currency transacted within peer to peer without intermediaries.

Bit Cryptocurrencies are volatile making them not a medium of exchange due to following reasons:-



(1)

Technological issues :-

* The transactions are not recognized by Central bank. It is all done through blockchain & maintenance of main ledger

- > Updation & downloading ledger require high require of storage in phone & computer
- > Complexity in computing, cyber attacks
- > Storage of main ledger require more space
- > Prone to manipulation of data.
- > No trusted entity backing it.

(2) Transactional Issues:-

- > Not a legal fiat currency
- > Does not possess store of value, unit of account & considered as a medium of exchange.

Eg:- To consider cryptocurrency to be a medium of exchange it should hold a value. Eg. like say \$1 dollar or so.

To buy an apple of \$10 how can we buy it with cryptocurrency with itself not holding any real value.

(3) Regulatory issues :-

As the users, owners remain anonymous & no intermediaries illegal activities like money laundering, funding terrorism, tax evasion & insurane ~~pro~~ issues.