BITCOIN / BITCOIN CASH (BTC)

By: Devin Peterson

CSC 595 – Bitcoin & Blockchain

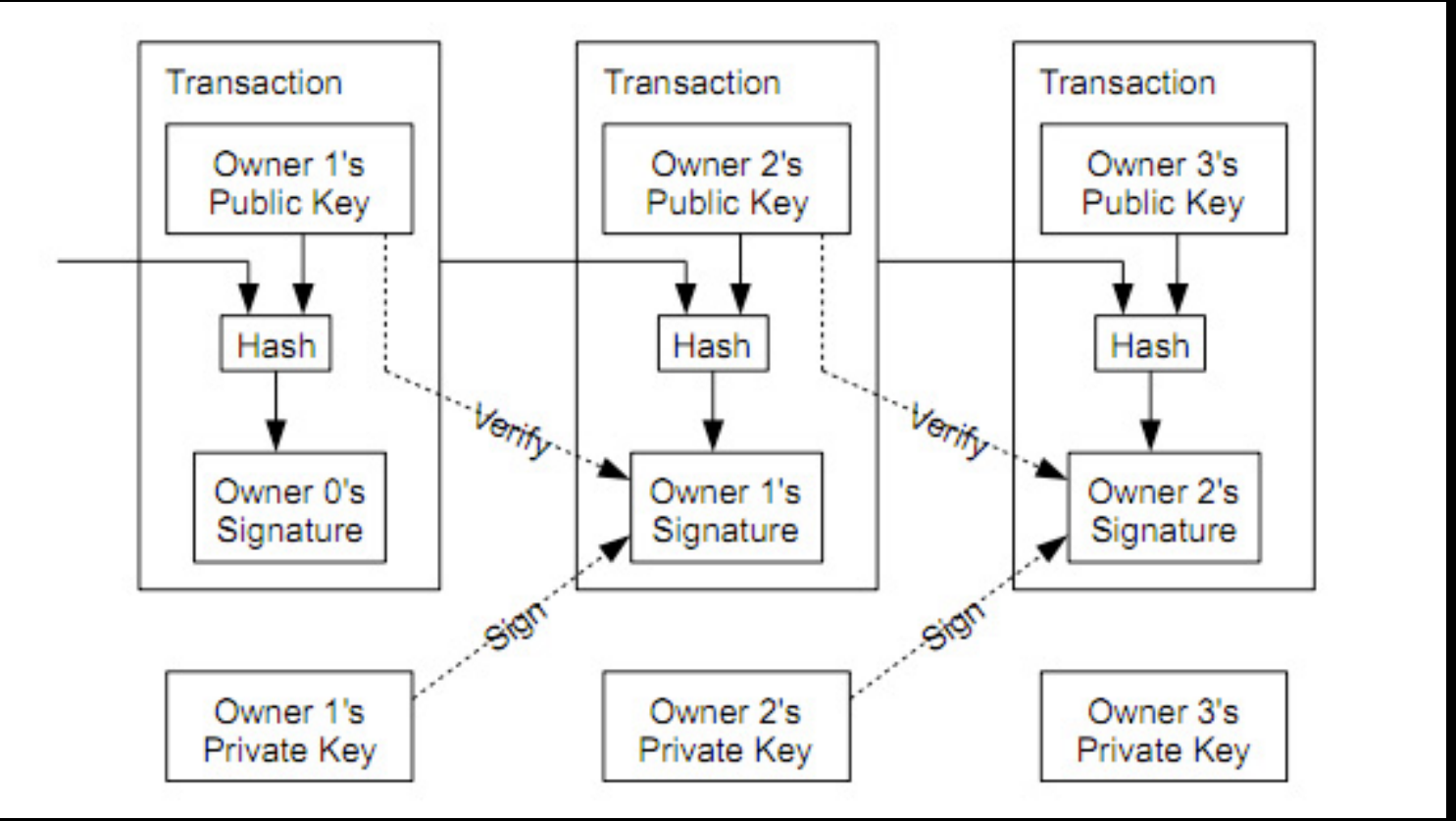
THE FOUNDATION

- Founded as a decentralized cryptocurrency without the need of central banks or intermediaries.
- 2012 - Over 1,000 worldwide industries accepted BTC.
- 2014 – Mt. Gox (744K)
- 2017 – Nearly $20,000
- The brilliance behind BTC
  - The Blockchain

THE CONSENSUS ALGORITHM

- SHA256
- Proof of Work
- Public Key
- Private Key

PROCESS OF TRANSACTION

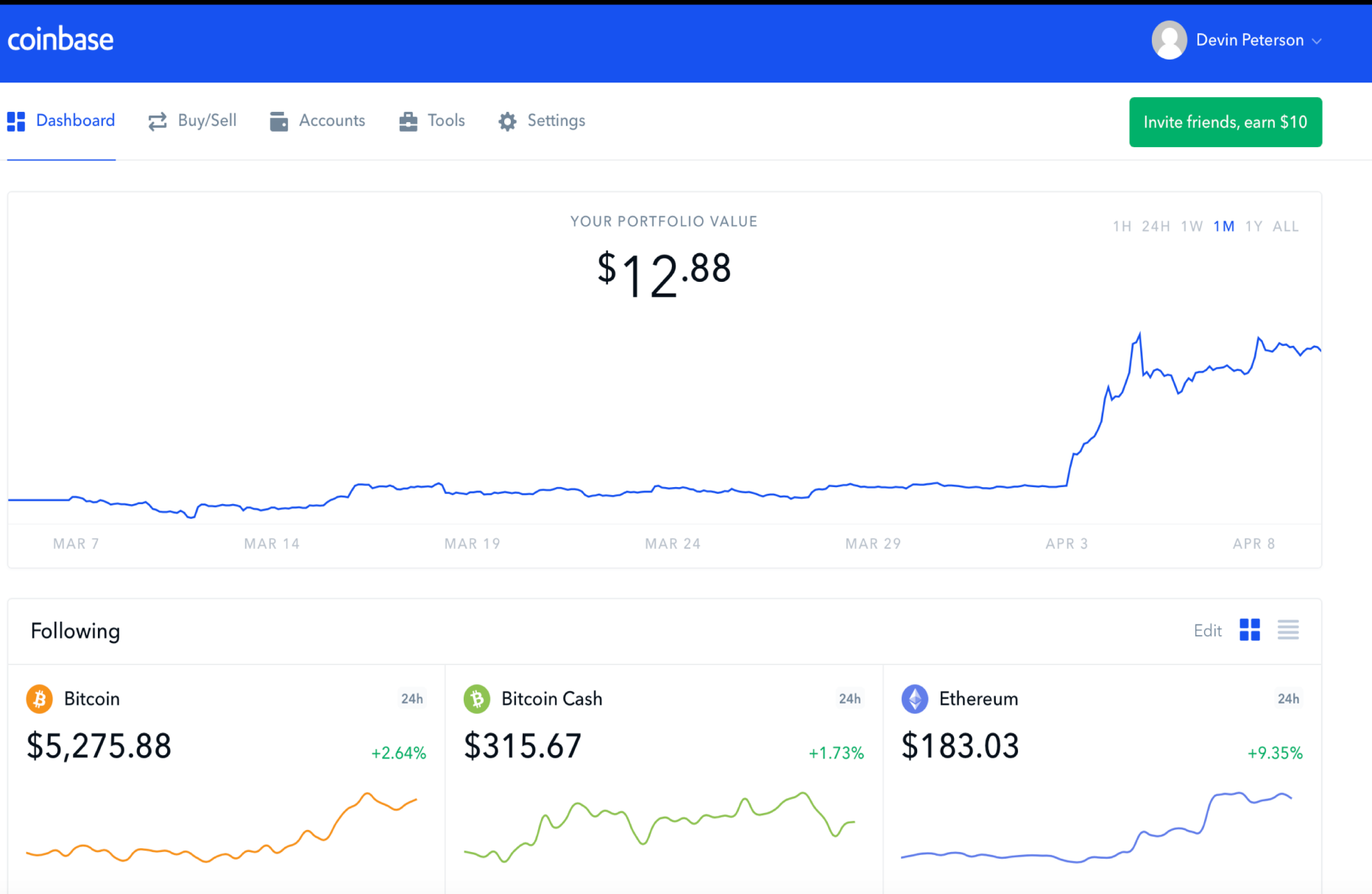


PLATFORMS OF TRADE

coinsquare

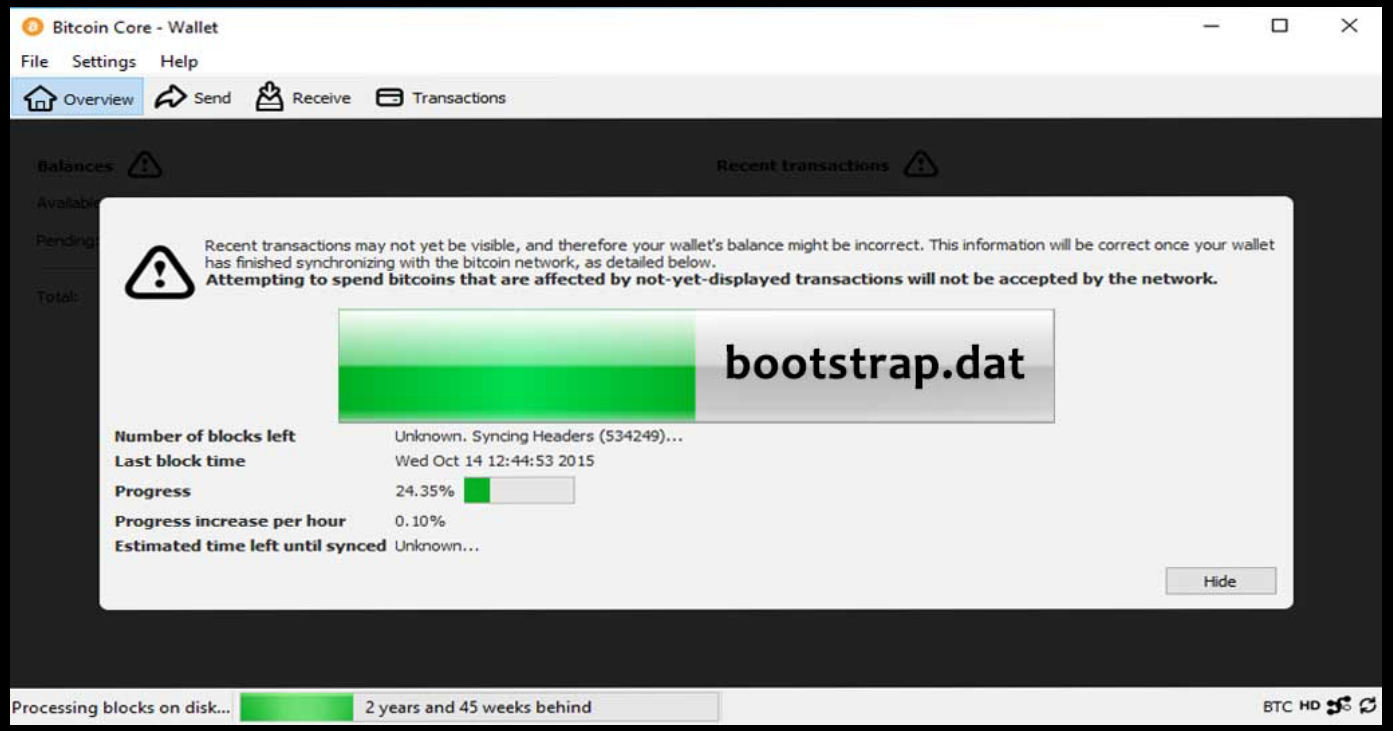
kraken
Bitcoin Exchange

bitbuy.ca

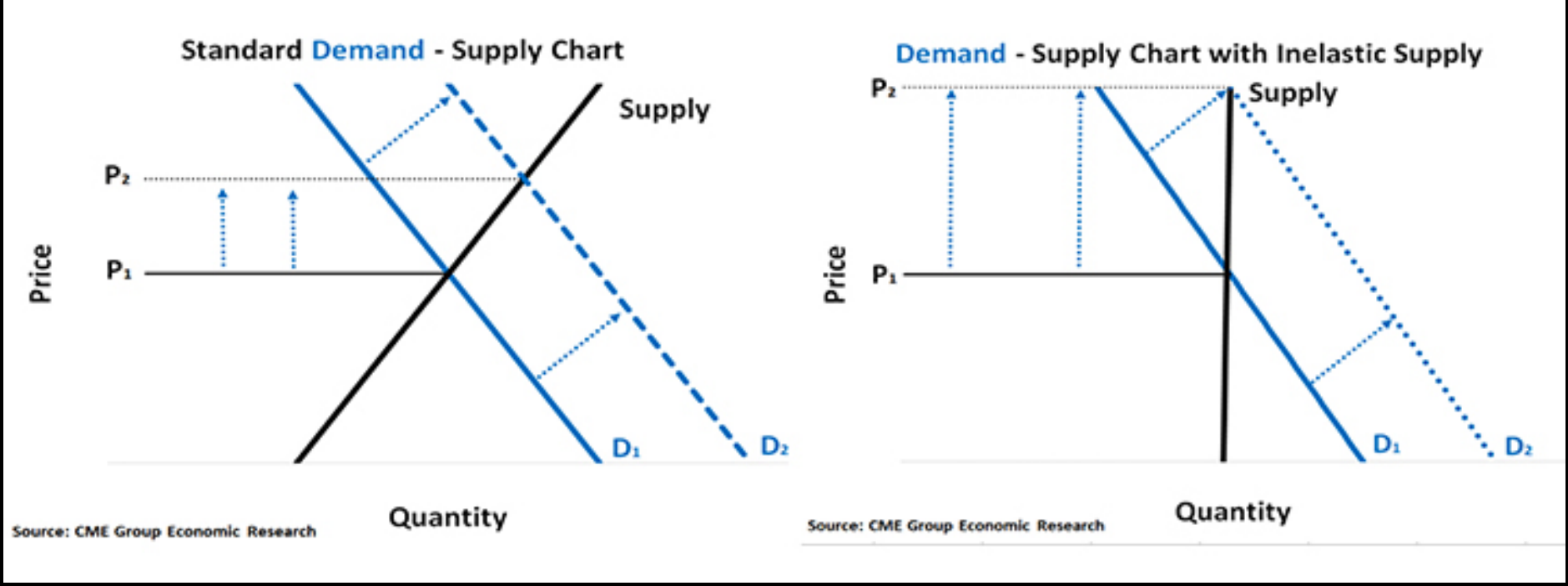


MINING AND BOOTSTRAP

- The Equation
- The Bootstrap Process
- The Common Prefix

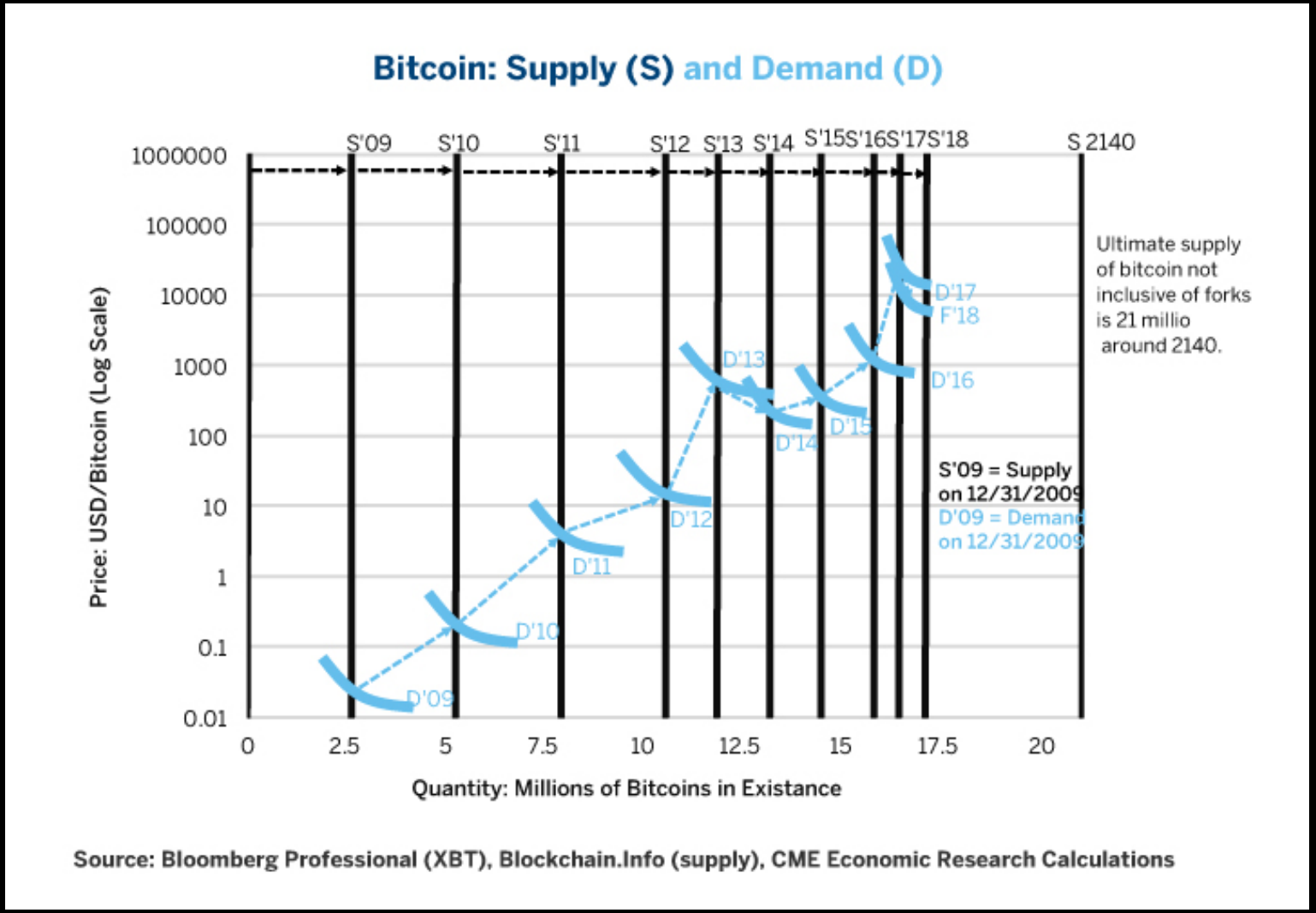


ECONOMICS OF BITCOIN

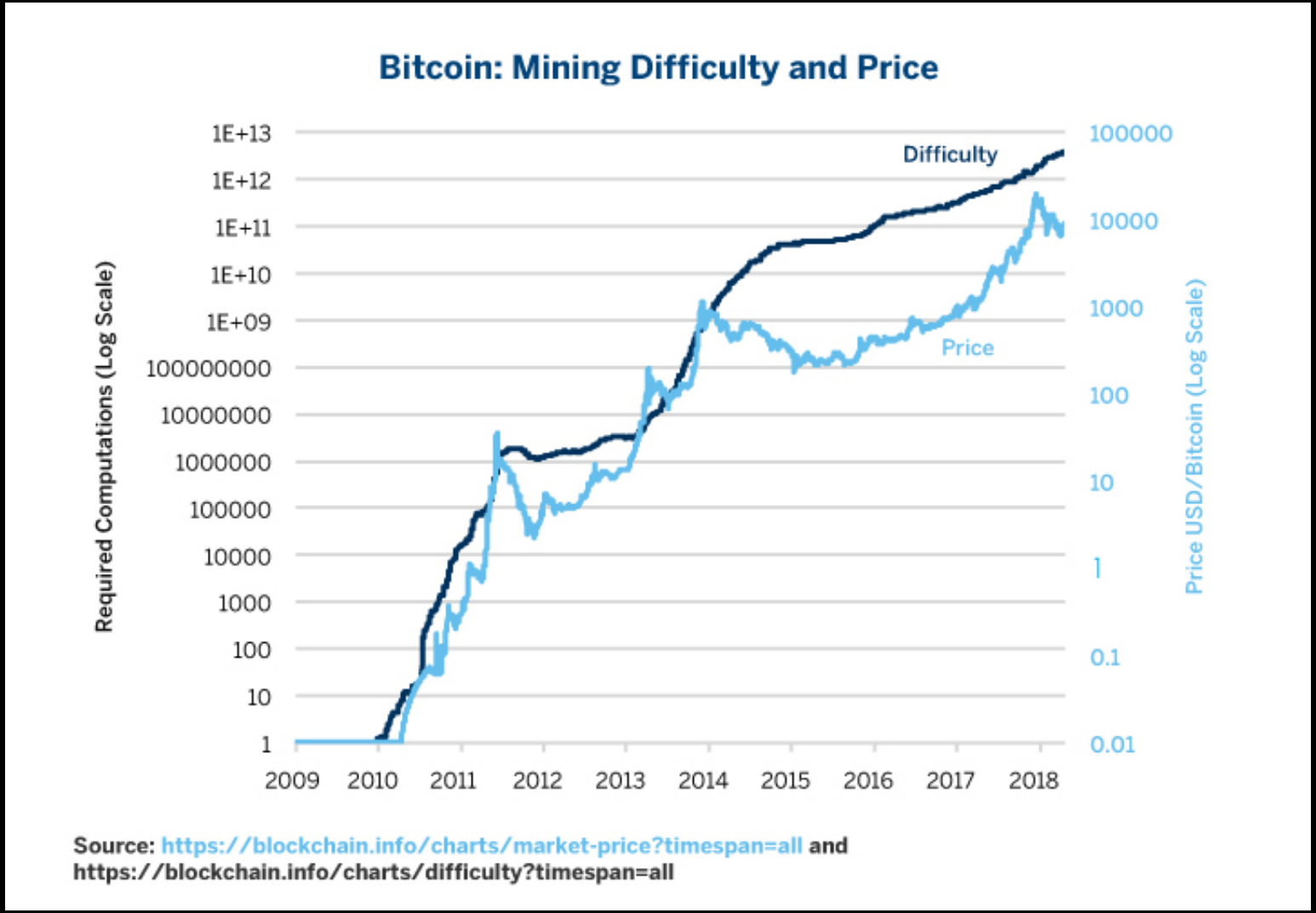


ECONOMICS OF BITCOIN

INELASTIC EXPANSION AND SLOW GROWTH

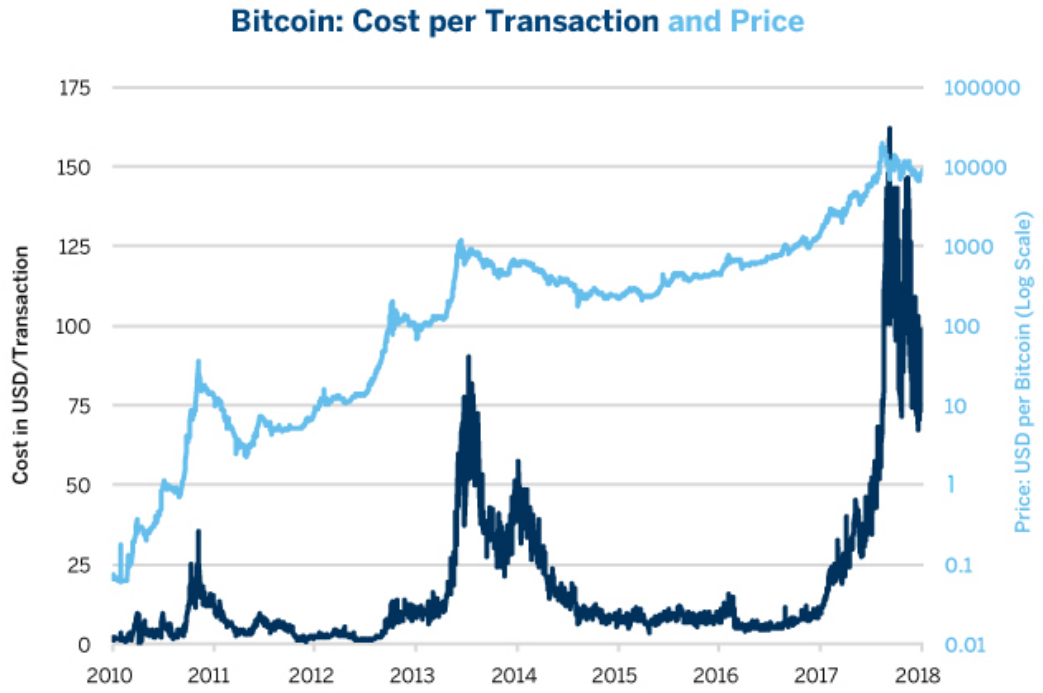


ECONOMICS OF BITCOIN
MINING DIFFICULTY AND PRICE

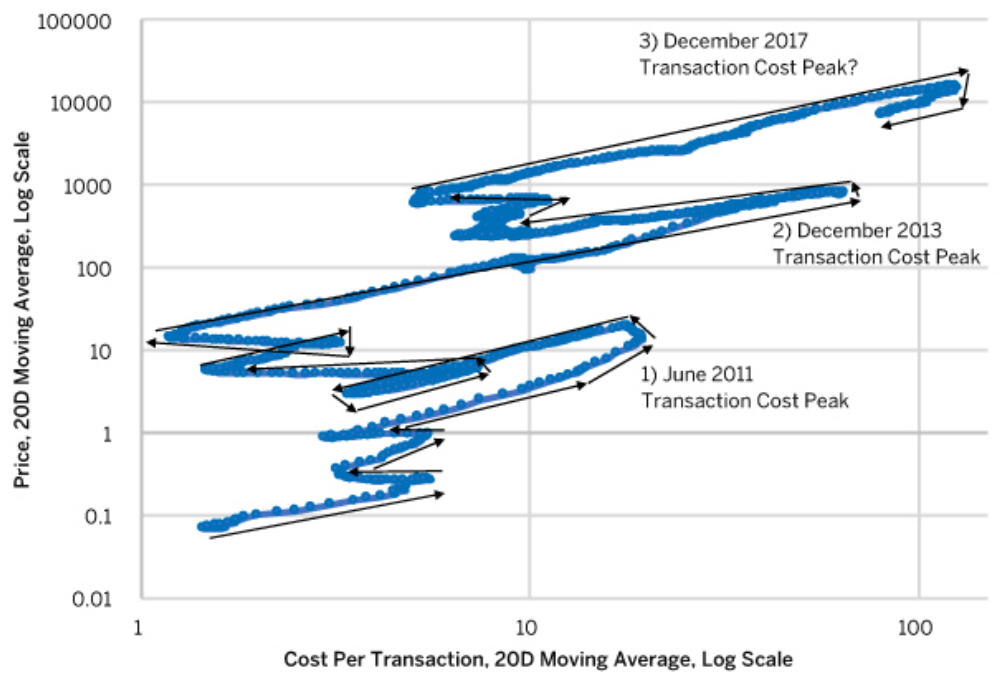


Source: https://blockchain.info/charts/market-price?timespan=all and https://blockchain.info/charts/difficulty?timespan=all

ECONOMICS OF BITCOIN
MARKET REACTIONS



Source: https://blockchain.info/charts/market-price?timespan=all and https://blockchain.info/charts/n-transactions?timespan=all



Source: blockchain.info/charts (Price, Cost Per Transaction), CME Economic Research Calculations

Common Question - "Will bitcoin replace fiat currencies?"

Most likely no, because the too volatile price cannot compete as a store value currency in the long run considering the high transactions costs. Moreover, an ideal replacement for an existing fiat currency that will economically function as a proper rate of exchange will lose its appreciation slowly over time, which is not the excitable Bitcoin, or its alternatives.