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EDITORIAL

USES OF BITCOIN

Bitcoin is a cryptocurrency, used for worldwide payment. It is the first decentralized, digital currency, works without a central repository or a single administrator. The network is peer-to-peer and transactions take place between users, directly through the use of cryptography, without an intermediary. These transactions are verified by network nodes and recorded in a public distributed ledger, called a *blockchain*. Bitcoin was invented by an unknown person or group of people, under the name of Satoshi Nakamoto and it was released as an open-source software in 2009.

Bitcoins are created, as a reward, for a process known as *mining*. They can be exchanged for other currencies, products, and services. As of February 2015, over 100,000 merchants and vendors, accepted bitcoin, as payment. Research, produced by the Cambridge University estimates that in 2017, there are 2.9 to 5.8 million unique users, using a cryptocurrency wallet, most of them using bitcoin. Its growth is considered, by many, to be linked to a rise in international crime. Bitcoin transactions are restricted in countries, including China, Vietnam, Nigeria and South Korea.

Financial speculation, on the value of bitcoin, has for some years widely been compared to famous economic bubbles of history, such as the tulip mania. Bitcoins are completely virtual coins, designed to be 'self-contained' for their value, with no need

for banks to move and store the money. Once you own bitcoins, they behave like physical gold coins because they possess value and trade, just as if they were nuggets of gold in your pocket. One can use their bitcoins to purchase goods and services online or can tuck them away and hope that their value increases over the years. There is a lot of controversy around bitcoins. The top reasons for the controversies include:

- Bitcoins are not created by any Central Bank, nor regulated by any Government
- Bitcoins completely bypass the banking system
- Bitcoin transactions are irreversible

Hence appropriate regulation, by the Government of India, need to be developed, to monitor the use of Bitcoin in India, so that the innocent investors will not be affected.

The Twenty Seventh Issue (Vol.14 No.1) of the SMART Journal of Business Management Studies, consists of ten articles, written by authors of repute, on different themes of contemporary relevance. I hope readers would find the Journal academically challenging and strategically stimulating.

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