

**KNOWLEDGE OF GENERAL PUBLIC ABOUT DIGITAL CURRENCIES AND  
CRYPTOCURRENCIES****Dr. Vibha Singh**Assistant Professor Department of Commerce and management, Lucknow Public College of  
Professional Studies, Lucknow, U.P.**Abstract:**

Cryptocurrency is an advanced cash which is made with the end goal of exchange as a typical cash. It utilizes Cryptography and Block chain innovation to get its trades and breaking point the creation of a specific kind of digital currency and monitor every single exchange in entire organization. Many of the organization accept the crypto currency for exchange for commodities. But in India several perplexing factors are floating around the crypto currency to regulate in the country. This study focused to measure the awareness, differences, intention to invest, factors influencing the investment in cryptocurrency among the public in the selected major cities in the state of India. The Indian government announced the launch of the Digital Rupee, a Central Bank Digital Currency (CBDC), starting with the fiscal year 2022–2023 in the Union Budget that was delivered to Parliament on February 1, 2022. The establishment of CBDC will greatly boost the digital economy, according to the budget statement. With this in mind, a survey was carried out using Google Forms to gauge public knowledge about digital money and cryptocurrency.

**Keywords:** Investor Awareness, socio-economic profiling, digital currency, cryptocurrency, and CBDC

**Introduction**

Cryptocurrency is a virtual currency which acquires cryptography to relax the transactions. It's far designed to make payments anonymously and in more secured manner. Cryptography is the method reworking statistics into inaccessible codes to keep away from counterfeit. Most of the cryptocurrencies are primarily based upon block chain technology on decentralized networks. More or less, a digital money is a virtual money framework that works comparatively to a customary cash, permitting clients to make virtual instalments for items and administrations without the requirement for an actual cash. In short, a digital money is a virtual money framework that works similar as an ordinary cash, empowering clients to give virtual instalment to items and administrations liberated from a focal confided in power. Cryptographic forms of money depend on the transmission of advanced information and utilize cryptographic techniques to confirm that exchanges are authentic and one of a kind. Bitcoin progressed the advanced coin market by decentralizing it and freeing it from various levelled power structures. People and organizations rather utilize a shared organization to execute utilizing the cash. Similar to cash in concept, digital money serves as a medium for everyday transactions and can serve as a unit of account. But it's not money. For instance, because they take on a physical form when withdrawn from an ATM, the dollars in the online bank account are not

considered to be digital currency.

Currency transfers across borders may be simpler and quicker with digital money thanks to its technological advantages over traditional money. The mechanism for central banks to enact monetary policy is also made simpler by this type of money. Transactions involving some types of digital currency are tamper- and censorship-resistant thanks to the use of cryptography, implying that neither public nor private organisations may control them.

**Need for the study:**

Many countries legalized the Crypto currencies and Trading in cryptocurrencies. But Cryptocurrencies are not legal tender in India and discussions are still in progress. While exchanges are legal in India due to the absence of a robust regulatory framework, a protracted licensing process makes it very difficult for certain cryptocurrency services and innovative technologies to operate. Being High Volatility in nature and fear of Loss and uncontrolled money exchange can cause disturbance in economic growth of the country. To examine insight and mindfulness awareness and factor affecting awareness and investment behaviour which associates on digital currencies among people in general.

**Background:**

There has clearly been a change in how people conduct business. There was little chance that digital transactions would ever function in an economy like India, where the illiteracy rate was 74.04% (82.14% of men and 65.46% of women).

With the intention of 1) reducing the amount of money used for corruption and black money, the demonetization movement banned the Rs. 500 and Rs. 1000 notes from use. 2) getting rid of fake money. 3) Reduce funding for terrorist activities

In spite of initial scepticism, the public swiftly embraced digital transactions in a country like India where 90% of the population still used cash. During this time, the Universal Payment Interface (UPI), which functions as a real-time payments system that enables mobile device-based instantaneous money transfers between two banks.

Following the introduction of the Pradhan Mantri Jan Dhan Yojana, which provided motor-assisted gap bank accounts for the less educated and those residing in remote areas, even the less educated population of India adopted payment applications like PayTM and PhonePe due to their user-friendliness.

Digital payments in India totalled more than 239 billion Indian rupees in the fiscal year 2022. This was a sharp increase from the 20.7 billion Indian rupees of the 2018 fiscal year.

People chose digital payments as a more secure method of payment after the COVID-19 epidemic struck the country in March 2020 and a nationwide lockdown was implemented. in order to avoid making physical contact. Many small businesses, vegetable vendors, and business owners chose to use these techniques as a result.

In the Union Budget presented to Parliament on February 1, 2022, the Government of India announced the introduction of the Digital Rupee, a Central Bank Digital Currency (CBDC) beginning with the fiscal year 2022–23. It was mentioned in the budget release that the implementation of CBDC will significantly stimulate the digital economy.

### **Review of the literature:**

Compared to central bank paper money, technological advancements over the past few decades have greatly increased the convenience and effectiveness of digital forms of private sector payment instruments (i.e. banknotes). These changes have resulted in a complete decrease in the amount of cash in circulation in Sweden. [1]

#### **Advantages**

- a. Lower expenses for transactions.
- b. Economic expansion and technological innovation may have an impact on other technology areas.
- c. Financial inclusion could make it easier for households without bank accounts to use digital payments. The CBDC can provide these tools at a low or no cost to customers who do not have bank accounts.
- d. A nation could become a leader in establishing appropriate economic standards for the ensuing years if its monetary policy on CBDCs is successful.
- e. In a CBDC, as it avoids manufacture and storage costs, shipping, disposal, etc. with very low odds of being tricked, it may be less expensive than currency.
- f. Efficiency in technology combined with quick pay outs due to its independence from banks and other middlemen.
- g. Transmission of monetary policy through more direct management of the money supply
- h. Comparing traditional digital currency to current commercial bank card payments, more privacy may be possible.

#### **Disadvantages**

- Since they are unrelated to any traditional currencies, cryptocurrencies are extremely volatile and are the target of speculative trading.
- Commercial banks face competition.
- Since CBDCs are only recognised in the nation where they were issued, they have geographical restrictions.
- Additional fees for compliance
- A lack of dependability brought by intermittent power and poor internet connections.

**Cryptographic money:** Digital money that is stored on a "blockchain," a decentralised network. One of the most frequently cited benefits of cryptocurrency is that it is not managed or overseen by any bank, financial organisation, or government. Every cryptocurrency is a worldwide organisation, with Bitcoin being the first in 2009. In 2015, The second major cryptocurrency, Ethereum, made its debut in 2015.

Blockchain is a live digital ledger of all money transactions. To avoid fraud, it is continuously checked by a decentralised network of computers.

#### **Crypto currency types**

**1.1.Bitcoin:** In 2009, Bitcoin became the first cryptocurrency. It is based on blockchain technology and was created to be independent of all governments and central banks. There are a total of 21 million bitcoins available. As of September 2021, there were more than 18.8 million bitcoin tokens in existence.

- 1.2. **Binance Coin (BNB):** Originally developed as a utility token in 2017 to allow traders to receive discounts on Binance trading fees, BNB is now also a form of payment. To increase demand, Binance sometimes buys back some of the coins it has before "burning" them permanently.
- 1.3. **Tether:** The first cryptocurrency to be promoted as a stable coin was Tether. coin. It is intended to provide customers with stability, transparency, and lower transaction fees.
- 1.4. **Solana:** The Sol coin is produced by the Solana blockchain platform. The Sol, one of the more unstable currencies, was trading at around \$191.00 on September 10, 2021, down from \$3.42 a year earlier. The cost today ranges from \$28 to \$30.
- 1.5. **XRP:** Ripple Labs created the XRP cryptocurrency. There are a finite quantity of XRP currencies, and mining is not possible. Transactions on the Ripple network are validated using a special system that makes them cheaper and faster than Bitcoin transactions.
- 1.6. **Dogecoin,** which debuted in 2013. It operates on a blockchain network with a PoW algorithm, just like Bitcoin and Ethereum. But there are countless coins that can be produced through mining.
- 1.7. **Polkadot (DOT):** Founded by Gavin Wood, who also co-founded Ethereum, Polkadot stands out from the competition due to its primary goal of resolving the interoperability issue by creating so-called bridges between blockchains.
- 1.8. **USD (USDC):** USD Coin (USDC) is a stable coin that functions on numerous different blockchains, including Ethereum. One USDC is equal to one USD. It is a reliable method of exchange that speeds up and lowers the cost of transactions.
- 1.9. **The Diem** cryptocurrency, which replaced the Facebook-created Libra coin at the end of December 2020, was discontinued in January 2022.

#### **Results:**

Most of the participants were aged between 15-20 years old and they represented 23.2% of the total participants. Participants who aged between 21-25 & 46-50 represented 20.2%. The participants between 41-45 years were 18.1% whereas the participants between 26-30 and 31-35 years old represented 4.04%. 36-40 years represented 6.06%, 60-65 years 3.03% and 80-85 years represented only 1.01%. More than half of the participants were students and they represented 43.43%. The following sections highlight the main findings.

#### **Conclusion:**

Cryptocurrency can be a good way to become rich but at the same time it can also be highly uncertain. It is just like gambling and only 26.3% of the public believe that it is not a good way to become rich and 24.2% believe that it can be a good means to become rich while 49.5% were not sure.

There is a need to carry out large- scale awareness programs, after identifying the appropriate means to spread the message regarding digital & cryptocurrencies to the general public. There is also a need to develop of innovative tools and educational models that improve the knowledge of younger generations regarding such cashless technologies.

#### **References:**

1. [Central bank digital currencies \(bis.org\)](https://bis.org)
2. <https://ssrn.com/abstract=3429037> or <http://dx.doi.org/10.2139/ssrn.3429037>
3. [Bitcoin vs. Ethereum vs. Dogecoin: What's the difference? \(techtargt.com\)](https://techtargt.com)

4. <https://www.investopedia.com/terms/d/digital-money.asp>
5. <https://assets.kpmg/content/dam/kpmg/in/pdf/2020/08/impacting-digital-payments-in-india.pdf>
6. [https://www.researchgate.net/publication/344428522\\_Digital\\_Currency\\_and\\_its\\_Implications\\_for\\_India](https://www.researchgate.net/publication/344428522_Digital_Currency_and_its_Implications_for_India)

Principal  
Lucknow Public College of Professional Studies  
Vinamra Khand, Gomtinagar, Lucknow