

CRYPTOCURRENCY

BLOCKCHAIN, BITCOIN AND ETHEREUM



LEONARD EDDISON

- Blockchain: A Deep Dive Into Blockchain
- Bitcoin: A Deep Dive Into Bitcoin In The Age Of Cryptocurrency
- Ethereum: A Deep Dive Into Ethereum

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CRYPTOCURFENCY
FROM ARDIS

Bitcoin

*A Deep Dive into Bitcoin in the
Age
of Cryptocurrency*

Leonard Eddison

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Introduction

Thank you and congratulations for downloading *Bitcoin: A Deep Dive into Bitcoin in the Age of Cryptocurrency*. This book was written to assist anyone who is interested in learning about bitcoin and how it has introduced us to the world of cryptocurrencies.

Throughout this book you can expect to learn more about what bitcoin is, specifically, how it works, technical aspects of this cryptocurrency, what we have learned as a result of bitcoin, and what the future may look with bitcoin and other cryptocurrencies in it. As a result, you will have a thorough understanding of what nearly a decade of bitcoin's existence has taught us as a society.

With this book you can learn everything you need to learn about how this currency works and why you might be interested in it. You will understand how it

can be used for purchasing and shopping, why people are interested in investing in it, and why people are continuing to mine it despite the currency having been around for nearly a decade. You will also gain insight as to why people are so excited about this currency and what it could mean for us in the future.

Please enjoy this read as you dive deeper into the world of bitcoin and the technology and advances it has brought along with it. And again, thank you and congratulations on the download!

Chapter 1: Understanding Bitcoin

Bitcoin is a highly unique form of currency that was designed and introduced to the world in the year 2009. After being on the market for just shy of a decade at the time of this publication, there is a lot that we have learned from and have come to understand about bitcoin. Before we explore the incredible world of bitcoin and how it looks and works from a technical standpoint, let's take a moment to develop an understanding of what bitcoin is, specifically.

What is Bitcoin?

Bitcoin is a revolutionary form of currency that was introduced in 2009 by an anonymous developer who introduced the currency under the alias "Satoshi Nakamoto". The introduction of this currency opened us up to the world of cryptocurrencies, or currencies that are entirely based in the digital space. Although

there are now other forms of cryptocurrencies available, bitcoin is considered the pioneer and is still the most widely recognized and used cryptocurrency traded on the market.

Like other forms of currency, bitcoins can be used for a variety of different purchasing practices. People can use their bitcoins to purchase anything from webhosting services to pizza, meaning that this currency has been designed to literally replicate and potentially one day replace traditional currency. There are very few differences between bitcoin and traditional currency when we look at it from a basic angle, but if you dive even deeper you will notice that bitcoin has many features that are not currently held by traditional currency.

Why Use Bitcoin?

There are several reasons as to why people may choose to use bitcoin, including the attractive no-fee factor that comes along with digital currency. Bitcoins, as you will soon learn in chapter 2, are not

held or owned by any one person prior to being purchased by the marketplace. This means that there are no banks or corporations involved in owning or producing bitcoin. As you will learn in the next chapter, bitcoin was produced using a specific algorithm and therefore are not originally owned by anyone, not even the developer.

Since bitcoin do not require banks or other financial institutions to be involved in any part of the transaction process, people who own bitcoin are not required to provide any identifying evidence about who they are. This means items can be purchased with completely anonymity. The elimination of the third party is also responsible for why you are not required to pay any transaction fees or other bank-related or financial institution-related fees on your funds or transactions.

Another incredible feature associated with bitcoin is that you are not required to pay any additional fees when you are conducting international purchases. Traditional currencies are based on an individual country or region thus meaning that said country is

welcome to put any laws on their currency at their own discretion. Bitcoin, on the other hand, is not owned by any particular country or region, therefore no one is capable of making any laws that would increase the fees, apply additional taxes, or otherwise increase the cost of doing business or conducting transactions overseas.

Upon its initial launch many individuals and businesses were wary of bitcoin. It sounded too good to be true and like it may have been a scam or something that would not be sustainable. However, it has proven to withstand longevity and is now being more openly accepted across the globe by individuals and merchants alike. More and more shops are allowing individuals to purchase from them using their bitcoin currency. The reason why it may be increasing in attraction to these merchants is because there are no credit card fees or other fees associated for the transaction, even for business owners. This means their cost of doing business is decreased each time someone uses bitcoin to purchase merchandise, instead of a credit card or otherwise.

Another aspect of bitcoin comes into play when you regard the investment value. Bitcoins have significantly increased in worth since they were initially introduced, and have increased even more since the final one was mined and has thus gone into circulation. There is no longer any potential to mine them for free, thus meaning that the amount existing is the only amount that will ever exist for bitcoin in particular. The increasing value of bitcoin has made them an admirable investment for many individuals. Those who are looking to diversify their investment portfolio or who are looking for something new and potentially massive to invest in are starting to look towards bitcoin. There have even been an influx of investment advisors and facilities established to specifically discuss bitcoin and assist individuals in investing in this digital currency.

How Can You Acquire Bitcoins?

The most well-known way to acquire bitcoins is through computer mining. Although this is not the cheapest or easiest way, it does result in you earning

free bitcoin from your mining practices. You will learn plenty more about the specific way the mining is accomplished in chapter 2, but ultimately it is a system of complex mathematical equations that are solved by computers. This is how bitcoins were originally created and how more continue to enter circulation. At the time of this publication there are approximately 25 bitcoins mined every 10 minutes using these complex computers and their mathematical equations.

Another way to get your hands on bitcoins,* which is much easier, is to find a bitcoin exchange and simply purchase them. Because of how many of these exchanges exist and the nature of the currency, it is important that you take your time and find an exchange where you will not be scammed. Avoid any company or individual who claims that they will help you mine bitcoin, anything that seems too good to be true, or anything that has a generally bad feel to it. Ideally, you should be able to research the bitcoin exchange in question and discover a great deal of information about it right away. Make sure that you