

Introduction Bitcoin

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What is Bitcoin

WHAT IS BITCOIN?

Bitcoin is the first decentralised digital currency. How does it work? Let us explain:



What is Bitcoin

Bitcoin is a digital currency introduced in 2008 by pseudonymous developer "Satoshi Nakamoto". That can be exchanged for goods and services



Digital: Bitcoins cannot be printed or physically made. They must be generated through computerized methods.



Decentralized: Bitcoins are not regulated by any government or banking institution.



Revolutionary: Transactions allow for anonymity and are almost instantaneous.



Global: Bitcoins are borderless currency and can be used anywhere.

Bitcoin and Gold, The human economy evolved

Bitcoin is one of the human economy evolved, we'd eventually transition from gold to paper money. by which governments pegged the value of their printed currencies to amount of gold they owned.



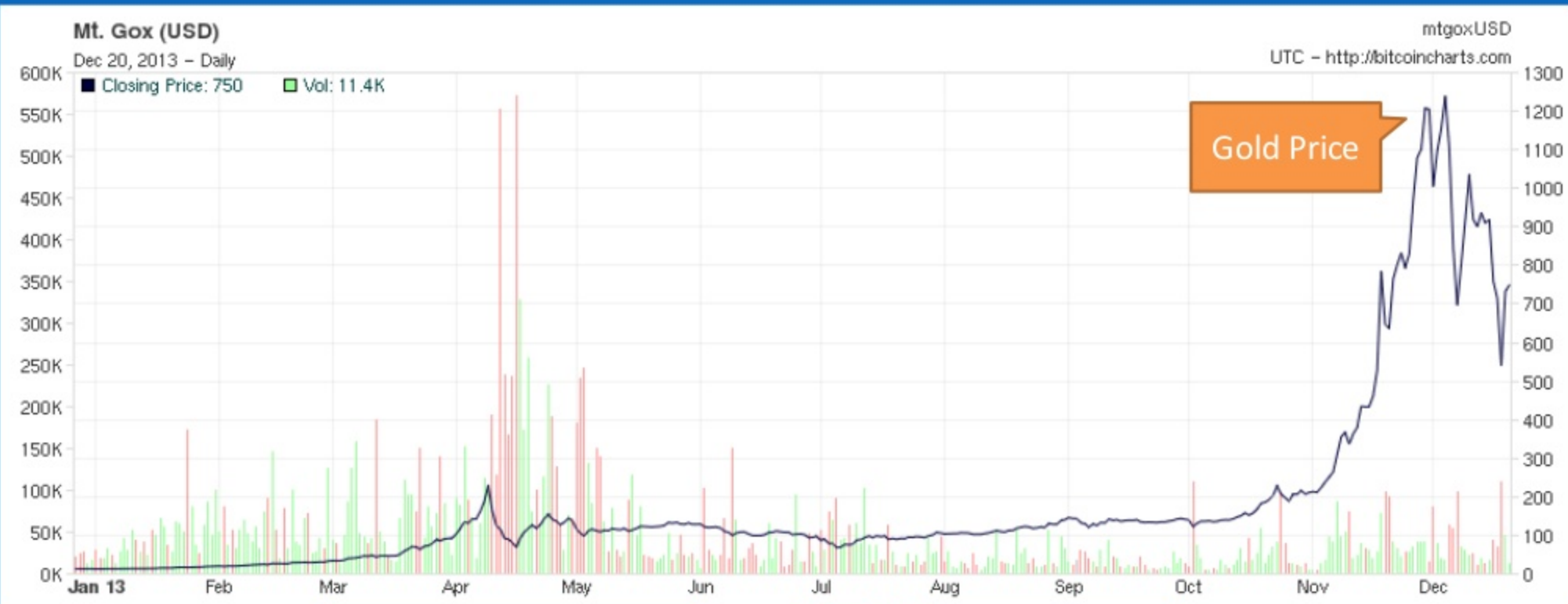
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- Limited in supply
- Evolution of the barter system
- Middleman for Currency Exchange

The Bitcoin bubble

November 2013, the price of a Bitcoin soared to above \$1,000, from less than \$15 in January. it's driven by Chinese investors stashing money offshore, looks like a classic bubble.



Exchange Rate

USD >> \$758.57

THB >> 24,627.25

CNY >> 4,631.83 元

(as of 20/12/2013 15:04)



(as of 20/12/2013 15:11)

Bitcoin Wallet

Bitcoins are stored in your digital wallet. when you transfer Bitcoins an electronic signature is added. After a few minutes the transaction is verified stored in the network



Bitcoin users are each provided an address - a **34-character combination of letters and numbers.**

- 3XXXXX4XXXXX5XXXXX6XXXXX7XXXXX8XXXXX9



To send a user a payment of Bitcoins this address is required.

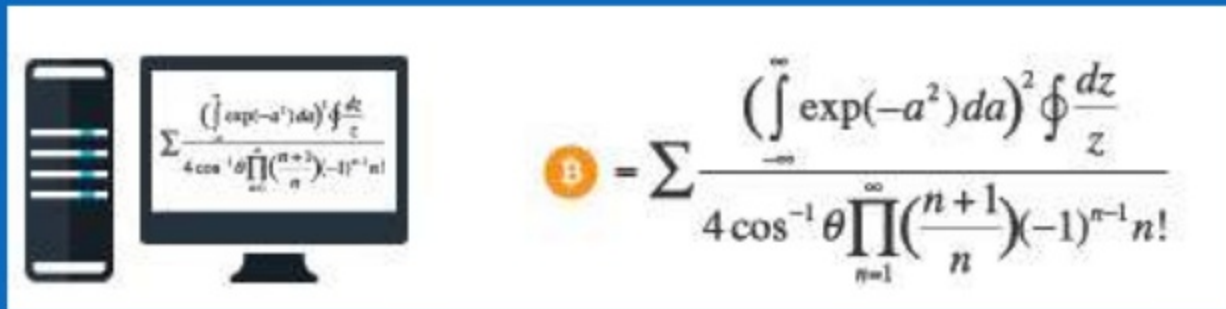
A record of each transaction is added to the log of each Bitcoin user across the globe.



This ensures that there is no duplicate use of the same Bitcoins. Bitcoins saved up in wallets may be stored in cloud locations or in individual computers.

How to can get Bitcoins

Bitcoin can get from digital world only, and it's have 3 ways for get it



1

You can create Bitcoins through **Bitcoins Mining**, a process that involves running software on a computer to solve complex mathematical equations to generate a portion of the currency. if one of the equations is solved, then the payout is a Bitcoin.



2

You can get Bitcoins from selling something in online markets.



3

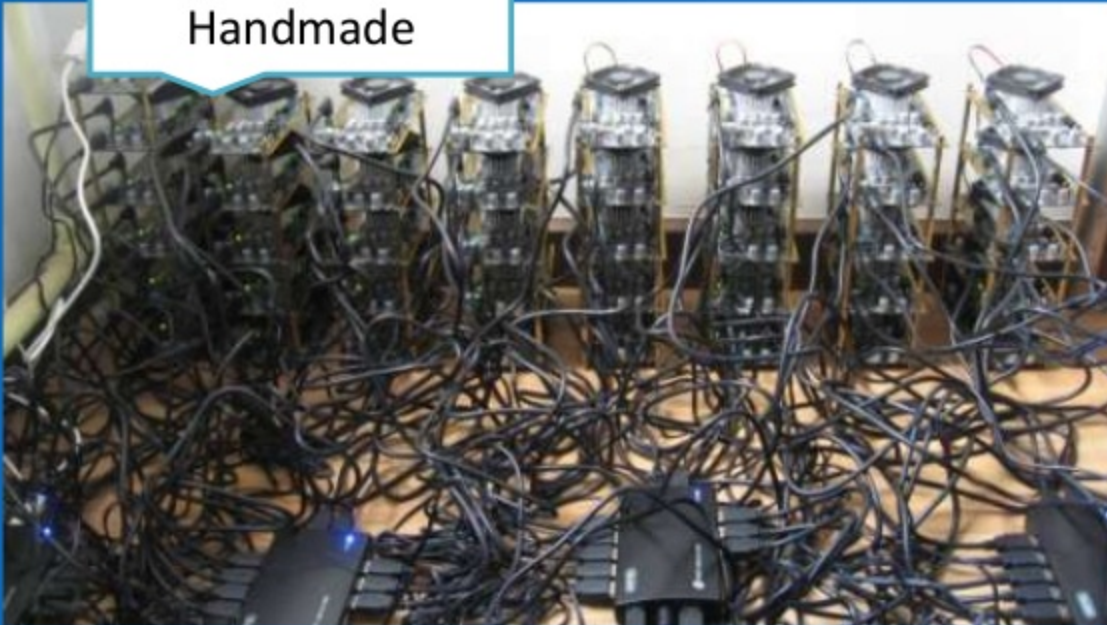
You can buy Bitcoins outright at various Bitcoin exchange markets.

What is Bitcoin Mining

Mining requires a certain amount of work for each block of coins. This rate is controlled by the network so that bit coins are always created at a predictable and limited rate.



Bitcoin Mining
Handmade

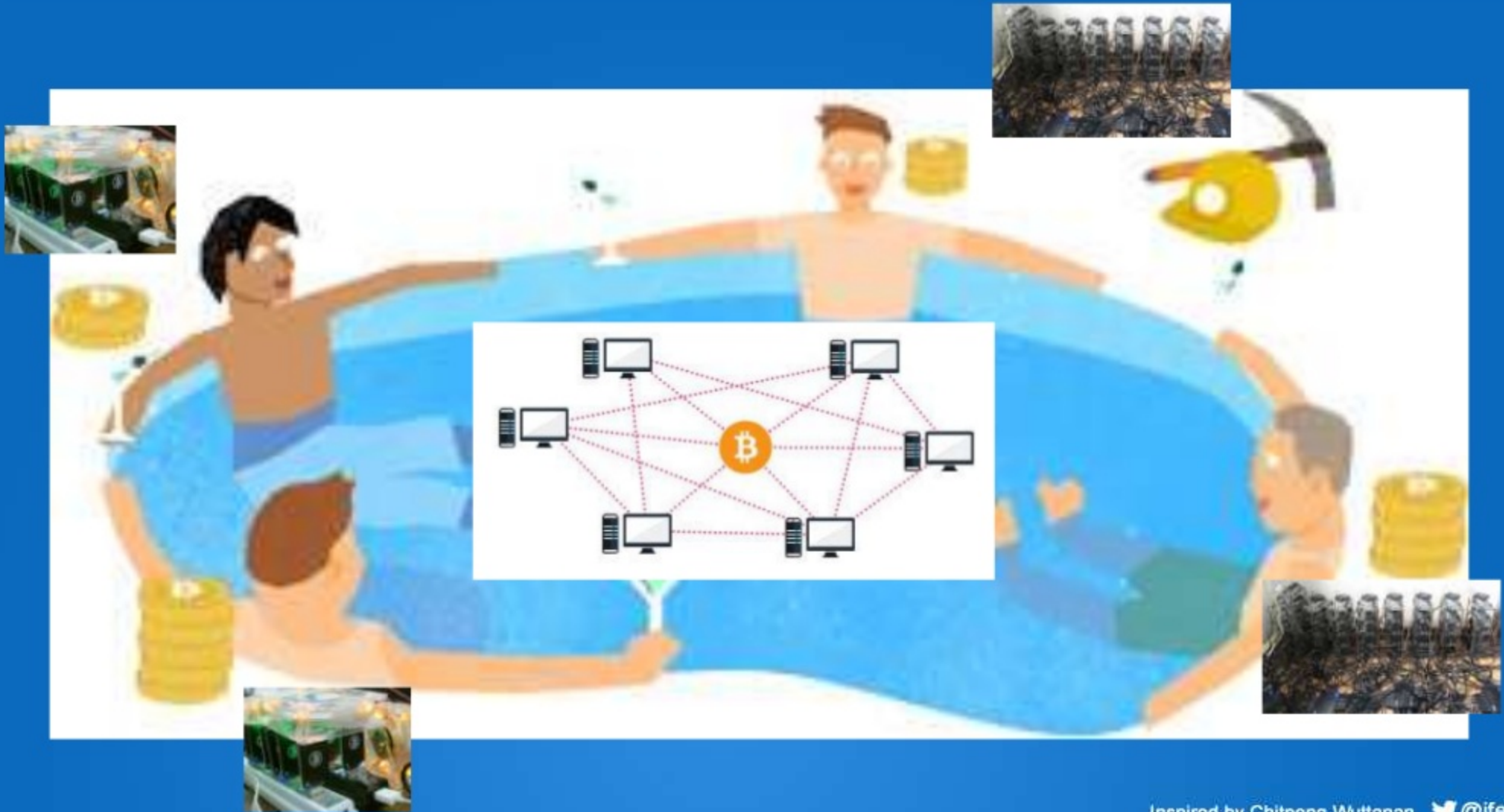


Bitcoin Mining
Box set



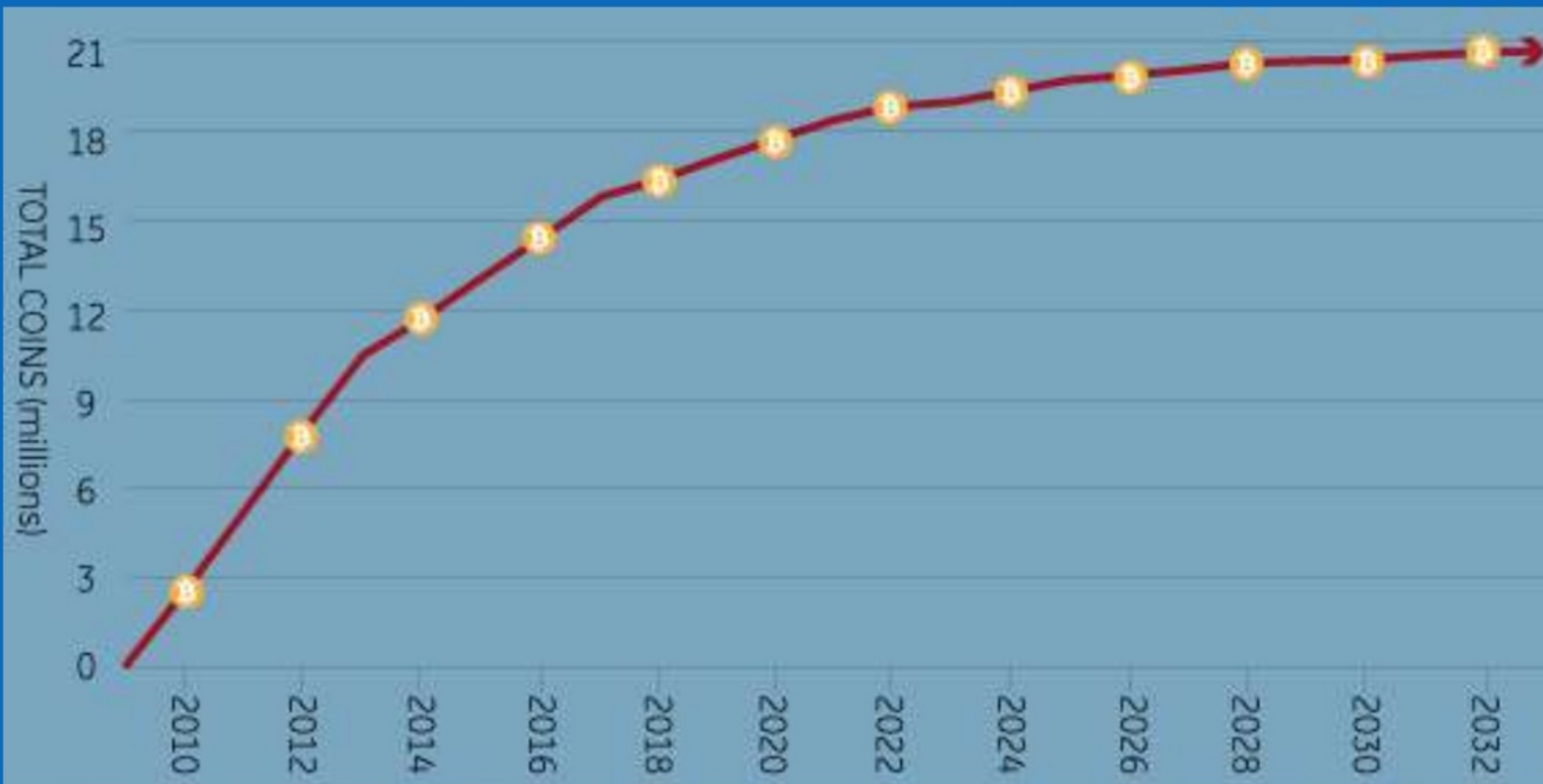
What is Bitcoin Pooled Mining

Bitcoin miners join mining pools, which are groups of people who combine the processing power of multiple computers to generate Bitcoins and they distribute any bounty generated among the members.



Total Bitcoins in circulation

A cap of 21 million bitcoins has been issued which drives the value of a single bitcoin up. Dec 2013 there were about 12 million Bitcoins in circulation



Bitcoin Supply

Currently 25 bitcoins are created every 10 minutes, This rate halves every four years until all coins are created in the year 2140



How long does it take to mine a single Bitcoin

Mining Bitcoins take much time because it's a complex process, and how much time it takes depends on the specifications of your computer's processing units

FASTEST PROCESSOR



3
YEARS

SLOWEST PROCESSOR



203
YEARS



→ Processor type: CPU, Processor Model: AMD Phenom II X4 810

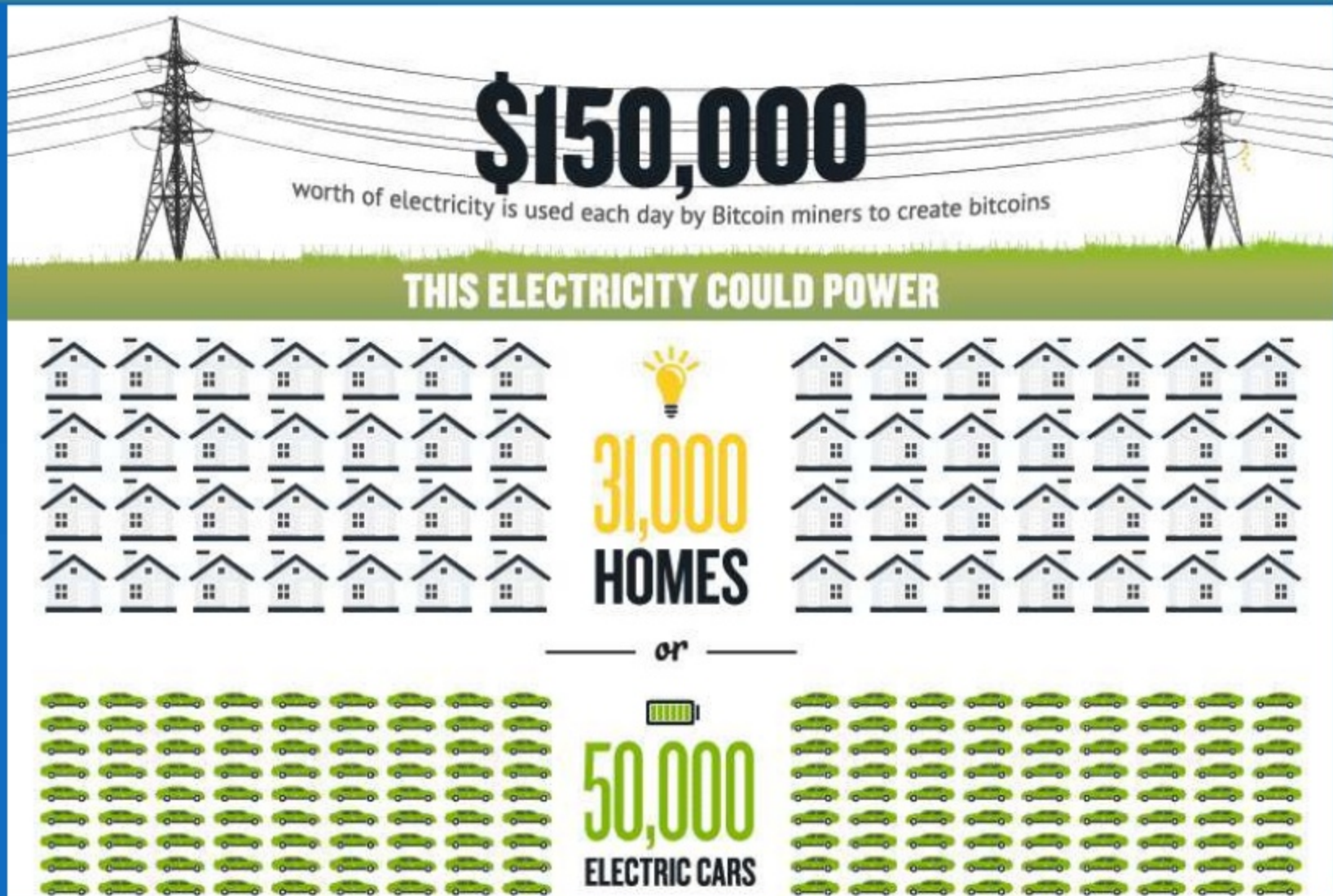


→ Processor type: GPU, Processor Model: AMD (ATI) Radeon 6990

The processor models are ones that are currently available on the market

Bitcoin consumption power

Bit Miners are used consumption power around 150,000 US\$ per day to create bitcoins.



B-Commerce

B-Commerce is a online place for support Bitcoin, now accepted over 8,500 merchants worldwide and more than 18,000 transactions per day in 2012

B-Commerce

Magento

is now the dominant e-commerce platform (and it has a bitcoin plug in)

Bitcoin commerce in 2012 was \$116m



18,000 daily transactions



8,500

Bitcoin-accepting merchants worldwide

SILK ROAD WAS
ORIGINALLY THE MOST
POPULAR PLACE
FOR BITCOINS

Original B-Commerce Sectors



Internet Services



Electronics



Illegal Goods and Services

New B-Commerce Sectors



Food & Drink



Clothing



Travel

Silk Road Case

Silk Road is an underground website, sometimes called the "Amazon.com of illegal drugs" or the "eBay for drugs". Silk Road had collected 9.5 million Bitcoin in revenue

Oct, 2013

The FBI cracked down on 'Silk Road', a website which sold



COCAINE



HEROIN



METHAMPHETAMINES

and other drugs paid for by Bitcoins.

Between

Feb
2011

'Silk Road' has carried out over
worth of business

\$1.2 billion

Jul
2013

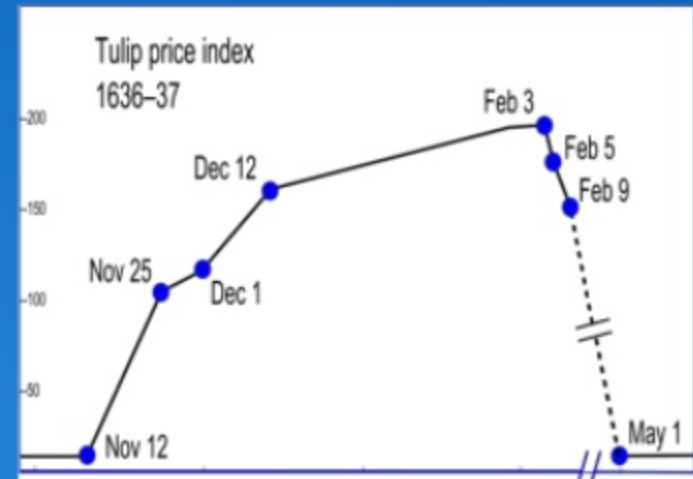
Tulip Mania 2.0?

The volatility of bitcoins is reminiscent of other mania down the centuries for gold or land or even tulips.



Things in Common Between Tulip and Bitcoin

1. Neither tulip nor Bitcoin have a universal value in use.
2. The prices of both soared suddenly.
3. Both have a lot of participants and discussion in the media.
4. Neither of them is a product compulsorily made by governments.



"This is worse than the tulip mania," he continued. "At least then you got a tulip [at the end], now you get nothing."

The former president of the Dutch Central Bank, Nout Wellink said about Bitcoin

Bitcoin in Thailand

The Thai authorities have ruled that Bitcoin activities are illegal in the country, forcing local exchange Bitcoin Co. Ltd to suspend operations.

Bitcoin

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<http://www.blognone.com/node/46923>

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