



Cryptocurrency

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Virtual money that can be exchanged just like real-world dollars. But crypto can swing wildly in how much it's worth! Most crypto end up being worthless.

Having cryptocurrencies can be risky and it's important to do your research and only spend money that you can afford to lose.

Section 1

What is cryptocurrency?

Cryptocurrency is a type of digital money that is created and stored online, instead of being printed like physical money. It is based on special technology called blockchain, which is supposed to keep track of all the transactions but is it secure?

You can use cryptocurrency to buy "things" online, but instead of using money, you use special codes or keys that are like secret passwords to access your digital money. Some of these "things" such as sports collectibles, art, land or even virtual trees that users buy and sell online.

There is no single authority or government controlling cryptocurrency. Transactions are verified by a network of users all around the world, but this can open up to scams and fraud.

One of the most popular types of cryptocurrency is called Bitcoin.

ACTIVITY



Cryptocurrency history

Use this video clip '[Crypto in 5 minutes](#)' to report the following:

Q1 Who created crypto?

Q2 Where did it start?

Q3 When did it come into existence?

Q4 What do people use it for?

Q5 Why has it become so popular?

Q6 Is crypto gambling or investing?



Section 2

How does cryptocurrency work?

To use Bitcoin or other cryptocurrencies, you need a digital wallet.

This is like a virtual bank account that you use to store your cryptocurrency and make transactions. You will never get to physically see your money. When you want to send or receive cryptocurrency, you use your wallet to send or receive it to or from another person's wallet, just like sending an email, but instead of words, you are sending money. When buyers wanting a cryptocurrency accept higher offers, it causes the price of a cryptocurrency to rise. When buyers aren't willing to pay as much, the price falls, making the coins worth less.



Section 3

What are the risks about cryptocurrency?

However, it's also important to know that cryptocurrencies can be quite volatile, meaning that their value can go up and down very quickly.

This means that having cryptocurrencies can be risky and it's important to do your research and only spend money that you can afford to lose. Cryptocurrencies are not regulated by any government or banks and there is no protection if something goes wrong. Because your crypto currency is stored in a digital wallet, this can be

hacked and you can lose all of your crypto. There are two types of wallets to store your crypto. Software programs that allow you to securely store your cryptocurrencies, as well as send and receive them. 'Hot' wallets are online and connected to the internet, which makes it easy to get to your crypto and trade. But they're less safe than 'cold' wallets, which are more like a digital safe - they're offline and more secure, but they're less easy for you to get to as well. With New Zealanders being targeted by fraudsters daily, the odds of a scam is insanely high.

ACTIVITY



Risks of Cryptocurrency

Watch ['The risk of crypto'](#) and identify FIVE risks of cryptocurrency.

Risk 1
Risk 2
Risk 3
Risk 4
Risk 5

MATCH UP ACTIVITY

Ethereum

●
Digital record
of all crypto
bought and sold

hot wallet

●
Gaining
unauthorized
access to a
computer
system

hacking

●
A type of Crypto

cryptocurrency

●
Place to store
your crypto

Block chain

●
Digital money
that relies
on complex
computer

ADVANTAGES AND DISADVANTAGES OF CRYPTOCURRENCY

+ Advantages

- Disadvantages

TRUE OR FALSE?

True / False

Purchasing cryptocurrency can be risky.	<input type="checkbox"/>	<input type="checkbox"/>
You do not have to pay fees when trading cryptocurrencies.	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrencies work with a bank.	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrencies are secure.	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrency is hard to counterfeit or hack.	<input type="checkbox"/>	<input type="checkbox"/>
Bitcoin was the first cryptocurrency.	<input type="checkbox"/>	<input type="checkbox"/>
Government's around the world control cryptocurrencies.	<input type="checkbox"/>	<input type="checkbox"/>
In July 2010, Bitcoin began trading at US\$0.0008.	<input type="checkbox"/>	<input type="checkbox"/>
In April 2013, Bitcoin spiked to US\$250.	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrency is like gaming and gambling.	<input type="checkbox"/>	<input type="checkbox"/>

Cryptocurrency debate

Argue for or against the use of cryptocurrency in society by exploring the legal and ethical issues associated with using cryptocurrency, such as money laundering, tax evasion, and fraud.

How is cryptocurrency used in everyday life?

In groups, using this article '[How cryptocurrency is used in everyday life](#)', each group is to summarise and explain one way of using cryptocurrency.

Investment

Transaction of value

Store of wealth

Paying for services

Online shopping

International payments

Gift

My future prediction

EXTENSION ACTIVITY

Cryptocurrency research project:

Research a specific cryptocurrency, (Bitcoin, Ethereum, Dogecoin, Solana and Litecoin), and create a poster or presentation by answering the following

1. What is your chosen cryptocurrency?
2. What is the history of it, when was it created? And by whom?
3. What is the current value of your chosen cryptocurrency? Graph the value over the past year.
4. Are there any advantages or disadvantages to buying your chosen cryptocurrency?
5. How secure is your chosen cryptocurrency? What measures are in place to prevent hacking and theft?
6. What is the future outlook for your chosen cryptocurrency? Are there any upcoming developments or changes that could impact its value?
7. What did you find most interesting about your research on cryptocurrency?

Glossary creation

Using the www.sorted.org.nz website, are there any words which you need to investigate the meaning of?