

A symposium on
Cryptocurrency – The New Paradigm of Economy
3rd August 2018

Announcing the first release of Bitcoin, a new electronic cash system that uses a peer-to-peer network to prevent double-spending. It's completely decentralized with no server or central authority. – Satoshi Nakamoto, 09 January 2009, announcing Bitcoin on SourceForge.



A symposium on Cryptocurrency – The New Paradigm of Economy was organised by MPBIM jointly with Southern Economist. Bitcoin, probably the first form of Cryptocurrency based on Block Chain Technology as floated by Satoshi Nakamoto in 2008 is the most popular Cryptocurrency followed by over 1000 Cryptocoins. Though the scale is about 1% of world GDP, the environment is gradually becoming

different. The purpose of the symposium was to understand the structure and threats of Cryptocurrencies to the economy.

The symposium was inaugurated by Sri N Ramanuja who felt that in our career, we witnessed many paradigms, event of globalisation, onset of mobile phones, emergence of internet gradually encompassing our communication, manufacture, education, healthcare, etc. Today there is hardly any field which internet has not influenced, naturally economy is not to be left behind. Later it was E-commerce and now it is a



yet another paradigm Cryptocurrency albeit with a profound difference in the very concept of currency.



Dr. N S Viswanath in his keynote address raised pertinent questions like legality , how this could affect the formal markets, how to prevent this concept from triggering terror funding, trade in illegal ammunition & drugs. He expressed concerns that these currencies start gaining when the governmental system crumbles. He

observed that while the market cap of Cryptocurrency is about USD 300 billion at present, this could grow and also pose new challenges.

CA Rudramurthy B.V, a well known investment guru who features in business programmes on TV channels like Public TV, CNBC, Bloomberg, etc., advising the audience on the need to invest, felt that Cryptocurrency is here to stay and it would be wise to invest now as the value is sure to go up. He said ideally one could invest 5-10% of one's wealth in this.



Dr. B V Harisha, Manager Data Analytics at Infosys Technologies, Bangalore gave a scholarly talk on Block Chain technology and Bitcoins. Elucidating through a live demo of transfers on block chain, he said that fund transfers on block chain is transparent, trustworthy and safe with total elimination of any agency in the middle. Validation of any transaction is also firm and final. But it is very important for the persons to remember a complicated code. He cautioned that if the password is lost, the money could get lost. He said that block chain technology has many applications.



CA Vishal of PricewaterhouseCooper explained various aspects of trade in Cryptocurrency like Mining, ICOs, Exchanges and Trading. He said that Cryptocurrency is an economic perspective. Tracing the genesis of Cryptocurrency in 2008, he said probably the impact of financial turmoil in US during 1997-98 and again during 2007, could have triggered development of Cryptocurrency, the movement of which would not depend on US\$. He explained the positives and the drawbacks of Cryptocurrency. He drew the attention to problems Cryptocurrency could create in the hardware of computers and servers besides huge requirement of power estimated at around 6 Giga Watts.

It is to be noted that even Cryptocurrencies could be stolen from the wallet, which happened in the recent past to the extent of USD 400 Million, which prompted many countries to give it a fresh look.

Sri Shivahari Shankar Product Manager, Spring roles, personnel verification platform on block chain technology, said that Bitcoin was a very genuine attempt at bringing out a system which is independent of trust and is totally transparent. He said to develop a Cryptocurrency various skills such as economics, mathematics, computer programming and also philosophy. It may be noted that there are only few hundred persons who can write successful programmes.

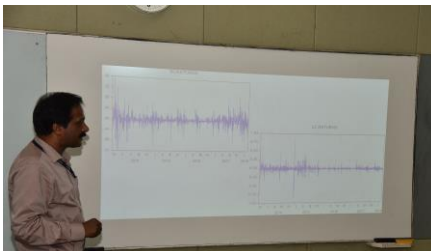
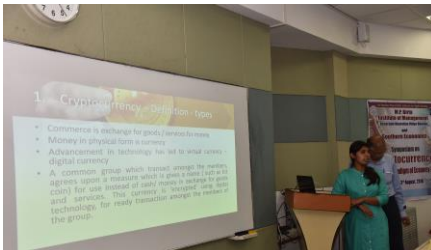


Comparing the Cryptocurrency with fiat currency, Sri Subrat Kumar General Manager and Chief Risk Officer of Vijaya Bank said that Banks can not have any association with Cryptocurrency as the same is a legal tender and is not recognised by Government as the Cryptocurrencies do not leave a trail. As the source of funds cannot be traced, banks would not accept this system. It may be noted that in some countries, this is recognised as an asset only and deliberations are on regarding framing of regulations. He said that, though there is reluctance to acceptance of Bitcoin

or any other Cryptocurrency, Block Chain Technology is good and Government is examining banks using block chain technology.

During the next session four papers were presented as various aspects of Cryptocurrencies. They were:

1. *Cryptocurrency Pros & Cons* by Dr. A T Bhashyam and Prof. Arpita of BPBIM, Mysuru
2. *Modeling of Cryptocurrencies – Garch, EGarch and Co-integration with Five Traded Currencies* by Dr. Sathyanarayana, Prof Sudhindra Gargesa and Ms. Lahari Bhat, Student Executive MPBIM
3. *Cryptocurrency - a Fad or Speculative Bubble* by Dr. Sumithra Sreenath and Dr. Rohini G Shetty
4. *Comparison of Cryptocurrency with existing Asset Avenues* by Sri. Mruthyunjaya H B, Student Executive MPBIM



Prof. Sudhindra Gargesa Joint Director, MPBIM gave the concluding remarks. Prof. Anu Natraj proposed the vote of thanks. Participation Certificates were issued to the participants after the valedictory. The event was spearheaded by Dr. Sathyanarayana Professor & Dean, MPBIM. Student executives of MPBIM did a commendable job in coordinating the event with deep involvement.

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