

Week 3: Course Project - Historical Context and Ethical Questions

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Bitcoin technology was originally developed for a way for people to send money over the internet. The digital currency was to provide an alternative payment system that would operate free of central control and is a computerized adaptation of cash that appears as virtual tokens or coins. You can utilize it to purchase or sell things from individuals or organizations that acknowledge such installments. To make a Bitcoin transaction, Bitcoins are moved from a digital wallet, which are received at the time of the sale from a crypto trade, to another person's using a site and the individual's unique Bitcoin address. It is an invention that can help deal with harms that affect current society. With this technology, people can easily manage and access information about money. Bitcoin can be a good way for society to eliminate problems like corruption.

Bitcoin is the first significant blockchain innovation and was created out of the disorder of the 2008 Great Recession as the banks distrust their role in the financial system grew. The idea came from Satoshi Nakamoto when he released a white paper titled Bitcoin: A Peer to Peer Electronic Cash System describing that the Bitcoin as an electronic cash. Many people worldwide use cryptocurrency to conduct transactions. They are just one of the several digital currencies that use the blockchain as their foundational context. As Bitcoin got popular, blockchain technology also rose to fame, leading to many ideas for how blockchain could be integrated into the banking industry's value.

Another major blockchain innovation is cryptocurrency [mining](#). When Bitcoin was made available as a digital currency, a major concern was how transactions would be authenticated. To solve this problem, the Bitcoin community established that transactions would be secured by undertaking energy intensive calculations to validate each block called the proof-of-work

problem. The proof-of-work concept was overwhelmed with energy and scalability concerns. A single Bitcoin transaction consumed the electricity required to power 1.57 American households each day.

A proof-of-stake model was created to lessen the overwhelming energy it took to validate the block. It validated the block in different approach. The concept suggested that transactions be validated in proportion to respective altcoins' holdings. It involves no computation intensive calculations but offers time and cost synergies.

Some ethical questions to explore for Bitcoins are:

1. What are the actual worth of Bitcoins if not everyone accepts Bitcoin since it is so volatile?
2. Do you believe Bitcoins are an ethical practice especially when part of the reason why it was developed was to decentralize the US dollar and standard money systems used around the world?
3. Bitcoin may offer greater levels of personal liberty compared to centrally controlled, government backed currencies. How are cryptocurrency/Bitcoin effected during inflation?

Bitcoins are a type of installment that can be traded online for products and enterprises.

It is a decentralized innovation that spreads across numerous computers that records transactions. Part of the appeal of this innovation is its security. Utilitarianism is an influential moral theory with its core idea of whether actions are morally right or wrong depends on the effects.

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