

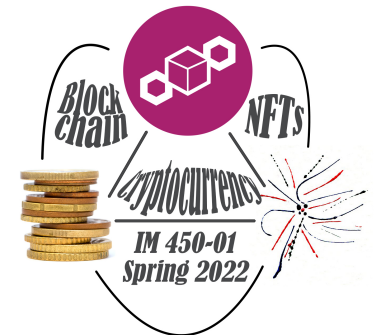
IM 450-01 Issues in IM: *Blockchain, Cryptocurrency, NFTs*

Spring 2022

Class 10—February 22 (on 2-24-22)

Cybercurrency:

- What is the problem to which this technology is a solution?**
- Whose problem is it?**



What is the problem to which this technology is a solution?

- **Please type or write down your answers to the questions I will pose.**
- **I will, later, poll you for answers. In some cases, you'll raise the little yellow hand; in other cases, I'll ask you to type your answers into the Zoom chat.**
- **All cameras on please.**

What is the problem to which this technology is a solution?

- **Do these statements represent real problems that needs solving?**
 - At this point, do not worry about whose problem it might be.
 - Yes, Barely, No
1. **Cut out the middle-person (especially banks but also sellers of all sort) in transactions (especially those involving monetary values).**
 2. **Reduce threats of loss (fraud, confiscation, fees) in transactions (especially those involving monetary values).**
 3. **Allow online payments to be sent directly from one party to another.**
 4. **Make and receive loans that traditional outfits would not make.**
 5. **Exchange of massive amounts of money take too long.**
 6. **Curb inflation (especially when it is rampant).**
 7. **The need for a new asset class/alternate investment markets that can mature into valuable portfolio diversification instruments.**
 8. **Avoid foreign exchange fees.**

What is the problem to which this technology is a solution?

	Yes	Barely	No	+/-
1. Cut out the middle-person (especially banks but also sellers of all sort) in transactions (especially those involving monetary values).				
2. Reduce threats of loss (fraud, confiscation, fees) in transactions (especially those involving monetary values).				
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Whose problem is it?

- People who don't like banks, perhaps due to
 - Historic bad treatment/experiences**
 - Fees/seizures/lack of privacy/rules)****
- The unbanked due to lack of access
 - More a problem in less-developed countries.**
 - Something of a problem domestically.****

3. Allow online payments to be sent directly from one party to another.

Whose problem is it?

- **People who don't like banks**
- **The unbanked**
- **Criminals (fraud, illegal sales, tax dodge, criminal hackers)**

4. Make and receive loans that traditional outfits would not make

Whose problem is it?

- **Unchartered lenders**
 - **“traditional” family or ethnic group loans)**
 - **Crypto-currency exchanges wanting to enter new profit markets**
- **The unbanked.**
- **People without traditional collateral (property against debt)**

5. Exchange of massive amounts of money take too long.

Whose problem is it?

- **Large traditional banks & financial institutions.**
 - **Global currency exchanges.**
 - **Stock and commodities markets.**
- **Large trading/sales houses.**
- **Criminals laundering dirty money**

6. Curb inflation (especially when it is rampant).

Whose problem is it?

- **In theory, potentially any/every monetary system that--**
 - **is allowed to go into debt financing**
 - **is allowed to make-print more money (without a finite limit to the amount of circulating currency)**
- **In some countries, government-backed money increasingly/unpredictably loses value/buying power.**
- **In a small number of countries, government-backed money is virtually worthless.**

7. The need for a new asset class/alternate investment markets that can mature into valuable portfolio diversification instruments.

Whose problem is it?

- People who don't participate in traditional investment markets.**
- People who don't understand traditional investment markets.**

8. Avoid foreign exchange fees.

Whose problem is it?

- **People/companies dealing/trading in/across global markets.**
- **People who travel internationally often.**

Q &A:

-What is the problem to which this technology is a solution?

-Whose problem is it?

- I skipped over “future need for micro-payments” as it is not yet a problem needing a solution.**