What is Crypto / Cryptocurrency?

Cryptocurrency (crypto) is **digital money** that exists online.
It uses **cryptography** and **blockchain technology** to stay secure and decentralized (not controlled by a single bank or government).

Examples you may have heard of: **Bitcoin, Ethereum, Solana**

How Crypto Works (Very Simply)

- Transactions are stored on a **blockchain** (a public digital ledger)
- No middleman like a bank
- Anyone can verify transactions
- Runs on the internet

Main Types of Cryptocurrencies

1. Coins (Native Blockchains)

These have their **own blockchain**.

- **Bitcoin (BTC)** – First and most famous crypto
- **Ethereum (ETH)** – Used for smart contracts & apps
- **Solana (SOL)** – Fast and low fees
- **Cardano (ADA)** – Research-based blockchain

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2. Tokens (Built on Other Blockchains)

They run **on top of another blockchain** (mostly Ethereum).

- **USDT / USDC** – Stablecoins
- **Shiba Inu (SHIB)** – Meme coin
- **Chainlink (LINK)** – Used for real-world data

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3. Stablecoins

Value is tied to real money (like USD).

- **USDT**
- **USDC**

Used for **low risk holding** and trading, not big profits.

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4. Meme Coins

Based on internet hype.

- **Dogecoin (DOGE)**
- **Shiba Inu (SHIB)**

 Very risky and volatile.

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5. Utility / DeFi / Web3 Coins

Used for apps, finance, NFTs, games.

- **Ethereum (ETH)**
- **Polygon (MATIC)** – Indian-founded
- **Avalanche (AVAX)**

Crypto in India (Important to Know)

- Crypto is **legal but regulated**
- Profits are **taxed**
- High risk, high volatility
- Not officially backed by RBI

“Best” Cryptos to Invest in India (Educational View)

For **learning and lower risk (comparatively)**, people usually start with:

Safer / Well-Known

- **Bitcoin (BTC)** – Store of value
- **Ethereum (ETH)** – Most used blockchain

Indian & Popular Projects

- **Polygon (MATIC)** – Strong Indian connection

Avoid for Beginners

- New meme coins
- Unknown low-price coins
- “Guaranteed profit” schemes □

Important Advice (Especially for Students)

- Crypto is **not quick money**
- Never invest money you can’t afford to lose
- Learn first, invest later
- Avoid tips from YouTube/Telegram “gurus”

Let’s break all three in a **student-friendly, easy-to-understand way**

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1 Crypto for Students

Why students care about crypto:

- It’s **digital money** you can learn and experiment with
- You can **practice investing** without using too much money
- Teaches **finance, tech, and blockchain** skills

Tips for students:

- Start **small**: ₹500–₹1000 is enough to learn
- Stick to **popular coins** like Bitcoin, Ethereum, or Polygon
- **Never borrow money** to buy crypto
- Treat it as **learning first, profit second**

Fun analogy:
Think of crypto like **Pokemon cards**:

- Some are **rare and valuable** (Bitcoin)
- Some are **fun to collect** but risky (meme coins)

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2 How Blockchain Works (Super Simple)

Imagine:

- A **notebook** that everyone in your class can see
- Each page = a **block**
- When someone writes a transaction, it’s **added to the block**
- Once a block is full, it’s **sealed** and linked to the previous one → that’s a **chain**

Key points:

- **Decentralized:** No teacher/bank controls it
- **Secure:** Everyone can check the notebook
- **Transparent:** No cheating possible

Visual example:

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Block 1 → Block 2 → Block 3
```

(each block has transactions and is locked)

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3 Difference Between Stocks vs Crypto

Feature	Stocks	Crypto
Ownership	Part of a company	Digital asset on blockchain
Regulated	Yes, by SEBI in India	Partially, under govt rules
Volatility	Medium	Very High
Dividends	Sometimes	Rare (staking rewards)
Value driver	Company performance	Supply-demand, hype, utility
Long-term growth	Often stable	Risky but potentially high

Student-friendly way to think:

- **Stocks = planting a tree** → grows slowly, steady
- **Crypto = rocket ship** → can fly high or crash fast