



The role of cryptocurrency in the digital economy and development prospects

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ABSTRACT

First of all, this article contains detailed information about the history of the emergence of cryptocurrency and blockchain technology today, its advantages and the prospects of its application in the fields. Key word: Blockchain technology, block chain, bitcoin, cryptocurrency, digital money, ethereum platform, Abstract: First of all, this article provides detailed information about the history, advantages and prospects of application of today's cryptocurrency and blockchain technology in the fields. took place.

Keywords:

Blockchain technology, block chain, bitcoin, cryptocurrency, digital money, ethereum platform, cryptocurrency security

In recent years, blockchain technology has attracted interest in both developed and developing countries, and this technology is also hotly discussed in scientific circles. At the same time, there are many questions about what this technology is and how it works. Let's have a little understanding of what it is, for this I will give the following information as an example.

Imagine you bought something with your plastic card, and the bank checks how much money you have on your plastic card and transfers a certain amount to its account and sends it to the bank of the product you bought, and this is the information about the money transfer. Banks keep the information. This is how banks make our lives easier, make money transfers, and we trust them. But in the times of crises in the world, in many cases, banks often make us lose our money, and the money cannot be recovered. The reason is that everything is tied up inside the bank, and if it falls, everything else falls, and people are also wondering how they can transfer money

without the involvement of banks. That's when blockchain appeared.

Blockchain is translated as a chain of blocks. Blockchain does the same thing as this bank, only it stores the information about all the transfers in front of everyone on the Internet, instead of keeping it internally. If the bank is considered to be the center in the banking system, blockchain is considered to be a decentralized system. Because it is inside every computer, it is located through the Internet, and information is also located inside every computer connected to the Internet.

For example, only bank employees can know bank information, that is, bank secrets! If you are connected to the blockchain, you can access all the operations that have taken place in the blockchain using any computer. The money used in this blockchain is called "Cryptocurrency". The first cryptocurrency to appear is "Bitcoin". After that, other cryptocurrencies began to appear. (For example: Litecoin, ethereum, monero and ..) . For example, if you call bitcoin gold or dollar,

we can consider other cryptocurrencies as ruble or euro.

Cryptocurrency is a virtual money, unlike ordinary money, it does not have a physical appearance. The currency unit of cryptocurrency is "Coin". Digital currencies-cryptocurrencies are limited from counterfeiting and duplication, which is impossible, because they are blocked, and another aspect of it is that the amount of emission of cryptocurrency is limited. For example, if we take bitcoin, the largest cryptocurrency, its emission is up to 21,000,000 (twenty one million). One of the main features of cryptocurrency is its decentralization. That is, if we explain it, it is not controlled by any bank, tax or court, there is no factor that affects the internal and external management organization. This cryptocurrency works on the basis of "Blockchain" technology. Blockchain provides everything.

At this point, it would be appropriate to dwell on each of the above-mentioned information separately. Why, after the aforementioned information, interest in crypto-currency in the majority will not fail to arise and the desire to become the owner of more information. It can be said that cryptocurrency has managed to penetrate almost every field these days, and successful businessmen are also able to start their businesses through these cryptocurrencies, after reading this article, you will definitely be among the agile businessmen. you can definitely see yourself, and at the same time, it is natural for you to increase your income sources through cryptocurrency and have many assets, if you first study the basic concepts thoroughly and carefully, You can become an expert in your field. When did our current information cryptocurrency appear, what about blockchain? If we get detailed information about their working principle, it will be easier for us to learn and understand them, and our world of imagination will expand a lot.

Blockchain has not only opened up new perspectives, but also created a great frenzy, sharp scandals and multi-million dollar scams.

In this article, we will analyze the reasons for the popularization of technology and the results of its development.

The creation of technology by Satoshi Nakamoto opened the door to many possibilities for the world:

- **immutability of verified information**
- **transparency of operations**
- **non-revocation of transactions**

Maintenance of the network by its participants.

Other platforms such as Ethereum, NEO, EOS, Lisk and Waves have developed Bitcoin blockchain capabilities. These distributed ledgers have been useful not only for cryptocurrency transactions, but also for creating government databases, digital identity systems, intellectual property rights registration, and accounting.

Cryptocurrency is virtual money, unlike the money we use in practice, it does not have a physical representation. The unit of measurement of such a currency is "coin", which means in English.

The idea of cryptocurrency dates back to the 1980s, with cryptocurrency first mentioned in 1989, and a few years later, in 1990, American cryptographer David Chaum invented digital cash that relies on cryptography to secure and verify transactions. But it wasn't until the early 1990s that cryptographic protocols and software began to be developed that would make it possible to create a truly decentralized digital currency. In October 2008, Satoshi Nakamoto's (pseudonym) article Bitcoin: A Peer-to-Peer Electronic Cash System outlined a system for creating a digital currency that does not require trust in any third party. Nakamoto's paper effectively started the cryptocurrency revolution.

Early development of the crypto market At the beginning of 2010, Bitcoin was the only cryptocurrency on the market. At that time, its price was a few cents. Over the next few years, new digital currencies entered the market and their prices rose and fell along with Bitcoin. During this period of volatility, many people have lost faith in cryptocurrencies as an investment vehicle. However, since the end of 2017, cryptos have experienced unprecedented growth. The total market cap for all

cryptocurrencies reached \$820 billion in January 2018 before crashing at the end of that month. Despite this crash, the crypto market has seen steady growth.

Name	Market capitalization	Cost
BITCOIN	\$136 105 069 616	\$7 522,84
ETHEREUM	\$16 309 633 049	\$149,83
XRP	\$9 870 579 977	\$0,2288033
BITCOIN CASH	\$3 867 091 990	\$212,98
LITECOIN	\$2 903 018 360	\$45,50
EOS	\$2 575 365 114	\$2,73
BINANCE COIN	\$2 434 892 051	\$15,65
BITCOIN SV	\$1 734 811 633	\$96,01
STELLAR	\$1 117 259 603	\$0,055710
TEZOS	\$1 060 449 306	\$1,61
CARDANO	\$992 605 936	\$0,038285
TRON	\$969 483 653	\$0,014539
MONERO	\$935 158 825	\$53,91
UNUS SED LEO	\$912 355 831	\$0,912813

The transfer of cryptocurrencies is an irreversible process, and no one can cancel, block, dispute or (without a private key) force a transaction. However, the participants of the transaction may choose to temporarily lock their cryptocurrencies as collateral, or to determine that all (or arbitrarily additional) parties must agree to complete/cancel the transaction. Such opportunities are available in smart contracts and are implemented only on certain types of blockchain platforms.

Blockchain is the technology that underpins Bitcoin. A blockchain is a decentralized ledger that records transactions (or information in general) in a network of participants. A notebook is a permanent set of records that is updated sequentially. A decentralized ledger is a ledger where no authority can control what is written to the public ledger. Blockchains coordinate information between multiple participants. Transactions, records or data in the blockchain are immutable, they are implemented through cryptographic functions and timestamps.

Immutability means that records are resistant to tampering - it is very difficult to change them once they are written in a notebook.

First of all, every technology that is created, and the innovations that are discovered, make our work much easier. The introduction of cryptocurrency has also opened the door to many opportunities for us, and it would be appropriate to recognize the advantages.

In addition to serving as a form of digital money, cryptocurrency and the technology that supports it has the potential to shake up several other sectors. The main advantage of this new technology is that Bitcoin and other cryptocurrencies that use blockchain technology are decentralized and have no payment processors or business owners, but there are various other advantages of cryptocurrency. In addition, peer-to-peer networks for cryptocurrencies allow direct communication between users. The decentralized and peer-to-peer nature of cryptocurrencies account for many of their additional benefits.

Easy operations. Cryptocurrency transactions are simpler, cheaper and safer than other types of transactions, which is one of the main advantages of cryptocurrency. Anyone can transfer and receive multiple cryptocurrencies using a basic smartphone app, hardware wallets, or exchange wallets.

Excellent security. Decentralized cryptocurrencies usually create secure payment methods because they rely on cryptography and blockchain technology, which is one of the key advantages of crypto. Hash speed is a key factor in cryptography and security. The higher the hash rate, the more powerful a computer is to crack a network. Bitcoin has the highest hash rate of any network, making it the most secure cryptocurrency.

Short billing periods and low fees. While some investors are primarily interested in the potential price growth of cryptocurrencies, others may see value in the technology's potential applications as a means of exchange. Transaction fees for Bitcoin and Ether can range from pennies to dollars or more, among the advantages of cryptocurrency

trading. Most crypto transactions are completed in seconds or minutes. Bank transfers usually take three to five business days and can be significantly more expensive.

Exponential industrial growth. The cryptocurrency market has grown rapidly since its inception. According to a new study, the cryptocurrency market is estimated to reach nearly \$4.94 billion by 2030. Thus, the industry has the potential to grow exponentially in the coming years. This is one of the main advantages of investing in cryptocurrency.

Large incomes. No wonder Bitcoin has outperformed all other assets over the past 12 years. Bitcoin had almost no value when it started in 2009, and it has grown to tens of thousands of dollars over the years. This represents returns in the millions of percentage points and is one of the advantages of crypto staking. In contrast, the average annual return of the S&P 500 stock index is about 8%.

More personal transactions. One of the advantages of cryptocurrency is privacy; however, it is not as personal as some people imagine. Using blockchain technology, all transactions are permanently recorded in a public ledger. Although this ledger shows wallet addresses, it is still possible to trace transactions if a user ID can be tied to a specific wallet.

Portfolio diversification. The cryptocurrency asset class is currently recognized as uncorrelated. Cryptocurrency markets operate largely autonomously, and the direction of their price movements is often different from the variables that affect stocks, bonds, and commodities. This is one of the advantages of investing in cryptocurrency.

Inflation protection. Another benefit of using cryptocurrency is that the finite amount of cryptocurrencies that can be mined, such as Bitcoin, Litecoin, and Monero, to name a few, are ideal inflation hedges. Things that are becoming scarcer tend to increase in value because monetary inflation can occur when government agencies and central banks create more money and thus increase the supply.

Cross-border payments. National borders are irrelevant for cryptocurrencies,

which is an important advantage of cryptocurrencies over traditional currencies. Without any additional complications, a person of one nationality can send coins to a person of another nationality. Transferring money across international borders can be time-consuming and expensive with conventional financial institutions. Doing so may not even be possible in some circumstances due to regulations, penalties or disputes between certain countries.

Inclusive financial system. Cryptocurrency offers a number of advantages for those who are not connected to the traditional banking system. The advantage of cryptocurrencies is that anyone can use them because it is decentralized and permissionless. So, this is one of the main advantages of cryptocurrency.

Freedom of transaction. One of its many advantages is the ability of cryptocurrency to be used as an asset exchange between two parties. Since this can be done without the involvement of a third party, the transaction is more open and resistant to censorship.

Markets. In the context of the New York Stock Exchange, stock markets are only active on weekdays between 9:00 AM and 4:30 PM Eastern Time, and most traditional financial markets are closed at night, on weekends, and on festivals. In contrast, crypto markets are open for business twenty-four hours a day, every day of the week, which highlights the advantages of cryptocurrency in the economy. The only thing that can stop someone from trading cryptocurrencies is a power outage, internet shutdown, or centralized exchange failure.

Transaction speed. One of the important advantages of cryptocurrency investments is that cryptocurrency transactions can be completed in minutes, unlike traditional transactions or even money transfers that usually take three to five days, which usually take at least 24 hours. Once the network confirms the block containing your transaction, the funds are ready to be used in crypto transactions.

Availability. Anyone can use cryptocurrency, which is another major benefit of using cryptocurrency. Internet access and a computer or phone is all you need. Comparing the process of creating an account at a traditional financial institution to setting up a Bitcoin wallet, the latter is incredibly fast. There are no ID checks, no credit or background checks.

Safety. This is one of the main advantages of cryptocurrency. No one can authorize transactions or access your funds until they have access to the private key for your cryptocurrency wallet. Unfortunately, if you misplace your private key, there is no way to get your money back. In addition, transactions are secure thanks to the design of the blockchain system and a distributed computer network that verifies exchanges. A network becomes more secure when it is given more processing power.

Transparency. Undoubtedly, one of the advantages of cryptocurrency. All crypto exchanges take place on a widely used blockchain ledger, and anyone can use the tools to search for transaction data. Transparency, to this extent, can reduce fraudulent activity. A person can show that they sent money and that it was received, or that they have the necessary funds to complete the transaction.

To use cryptocurrency, you need to understand how it works from the inside, first of all, you need to know how the bank card system works. The main difference between cryptocurrencies and money, instead of banks and governments regulating bank transfers, circulation and issuance, in the field of digital money, an algorithm plays this role. Although the concept of cryptocurrencies is still new in all aspects of the world, people are yet to agree on their main features. Despite the full meaning of their name, cryptocurrencies are also unregulated and decentralized. Non-governmental organizations issue them, but they still represent some economic value for a facility or transaction. Cryptocurrency holders retain exclusive property rights using blockchain technology. Of course, it is exciting to see such a huge technological revolution in our world, but we must be careful. Blockchain

technology has many aspects for people to learn about cryptocurrency. We need international financial markets to be regulated, but such regulation will never hinder development.

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