

Three cryptocurrencies you need to know about

After the way cryptocurrency has dominated the news over the past few months, it is safe to assume that most people are familiar with the term and the basic premise. Today, we go a little deeper and touch upon the basics of some of the biggest names in the cryptocurrency space and what they stand for.

Bitcoin (BTC)

This is the one that started it all. Despite widespread community interest, the largest market cap among all cryptocurrencies and consistent public scrutiny, Bitcoin has held firm. It is the first decentralised digital currency that used a peer-to-peer network for transactions between users. While originally considered a fast and efficient payment method, Bitcoin's growing user base and relatively large block time (the time taken for one block in the blockchain to be 'mined' by the miners that keep the blockchain up and running) have led to delays in transactions on the network and increasing transaction fees. This has led to Bitcoin beginning to lose favour to other cryptocurrencies (collectively dubbed altcoins) as a payment method, but its long history and robust performance have led to it retaining its crown as the ultimate cryptocurrency, at least in terms of wealth storage.

Founded in 2011 by ex-Google employee Charlie Lee, Litecoin is often referred to as the silver to Bitcoin's gold. This is one of the go-to currencies used today for transactions, thanks to its faster block time of around 2.5 minutes, compared to Bitcoin's 10 minutes, enabling much faster exchanges between users. Litecoin's algorithm also makes it difficult to build Application-Specific Integrated Circuits (ASIC), the likes of which are used to mine Bitcoin, and have been criticised for the massive electricity consumption that goes into mining the cryptocurrency, leading to long-term scalability problems. By eliminating purpose-built ASIC mining, Litecoin presents a greener, faster alternative to Bitcoin, when it comes to transactions.

Ether (ETH)

Ether was until recently the second-largest cryptocurrency in terms of market cap. It is the cryptocurrency used in the Ethereum network, which is essentially a decentralised computing platform, upon which 'smart contracts' can be built and executed. The main application for this platform is the use of smart contracts between parties, that usually require an intermediary for the purposes of trust or verification (such as the services performed by Airbnb or Uber). The potential real-world applications that can be built using the Ethereum blockchain, and the subsequent elimination of middlemen in favour of decentralised authorities, have made it one of the hottest properties in the blockchain business, and have seen the price of Ether rise massively over the past few months.

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