Money. Currency. Bitcoin.

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The passion for Money

Agenda

- What is Money?

- What is Currency?

- What is Bitcoin?

- Comparing Currencies & the Bitcoin economy

The story of the Rai stones at Yap

Yap Island in Micronesia

Currency at Yap

Money is a concept

__Money__ is a social concept enabling transfer of purchasing power

- Social
- Concept
- Purchasing power

Literally, Money means Purchasing Power

Money = *Purchasing Power*

- Time is *'Purchasing Power'*

- *'Purchasing Power'* never sleeps

- *'Purchasing Power'* can't buy love

The "features" of Money

- Unit of account

- Medium of exchange

- "Store of value"

- Accounting system

As a concept Money is similar to Language

Language *is a social concept enabling transfer of messages*

(Money is to Commerce what Language is to Communication)

- Transfer of knowledge
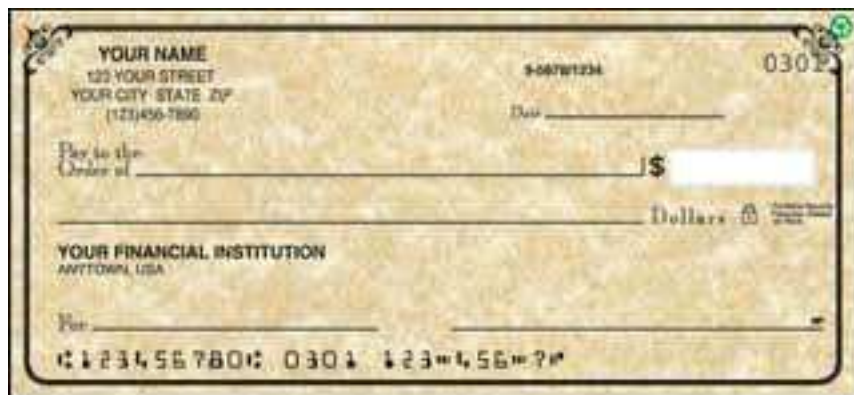
- Mass communication

- Large scale cooperation

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Currency is a Tool

Currency *is a set of symbols that represents purchasing power*

- Stones
- Gold Pieces
- Dollars
- Bitcoins

Currencies

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Currency doesn't have to be…

- Of intrinsic value

- Backed by a government

- A legal tender

- Accepted as tax

- Accepted by everyone

Currency has to be…

- A set of symbols

Currency is similar to Language

Language is a set of symbols that represents things, actions, and attributes

- English
- Japanese
- C++

Examples of Currencies and Languages

Currency	Examples	Payment		Language	Examples	Delivery
Commodity	▪ Salt ▪ Shells ▪ Gold	▪ Raw Material ▪ Coins		**Human**	▪ English ▪ Japanese ▪ French	▪ Verbal ▪ Written ▪ Signs
Fiat (Gov.)	▪ Dollar ▪ Yen ▪ Pounds	▪ Coins ▪ Notes ▪ Digital		**Computer**	▪ C++ ▪ Java ▪ Python	▪ Cards ▪ Digital
Crypto	▪ Bitcoin ▪ Litecoin	▪ Digital				

5 requirements for a perfect Currency

|	Requirement	So that...
Limited	▪ Final number of symbols	▪ No one can steal your relative purchasing power
Fungible	▪ Symbols are interchangeable. A=B, B=A.	▪ You can trade with anyone, anytime
Durable	▪ Symbols can survive time and weather	▪ You can save your purchasing power or pass it on
Divisible	▪ Symbols are easily divisible to smaller parts	▪ It can represent also small things
Transferable	▪ Symbols can be easily transferred	▪ It's practical to use

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Bitcoin is two things
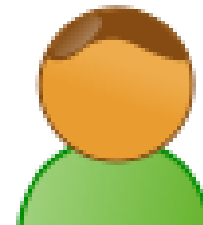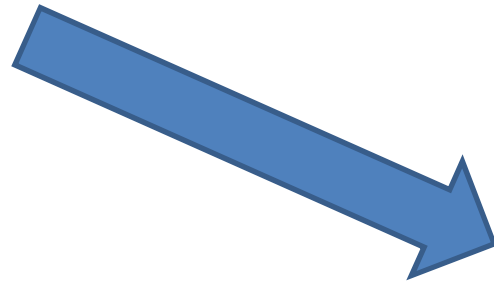
__Bitcoin__ is both a protocol and a currency

Protocol

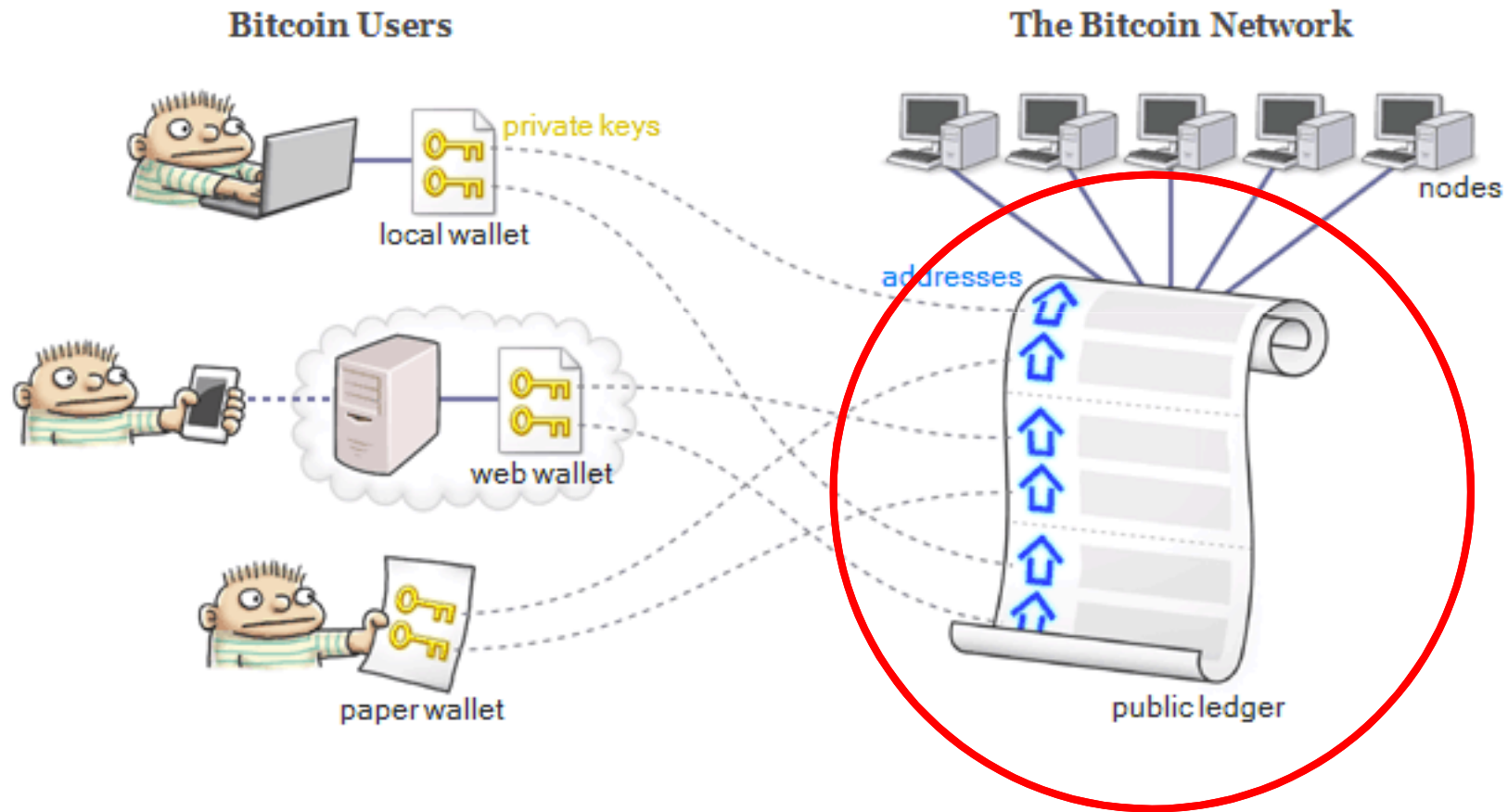Think Internet. Network. Infrastructure. Technology.
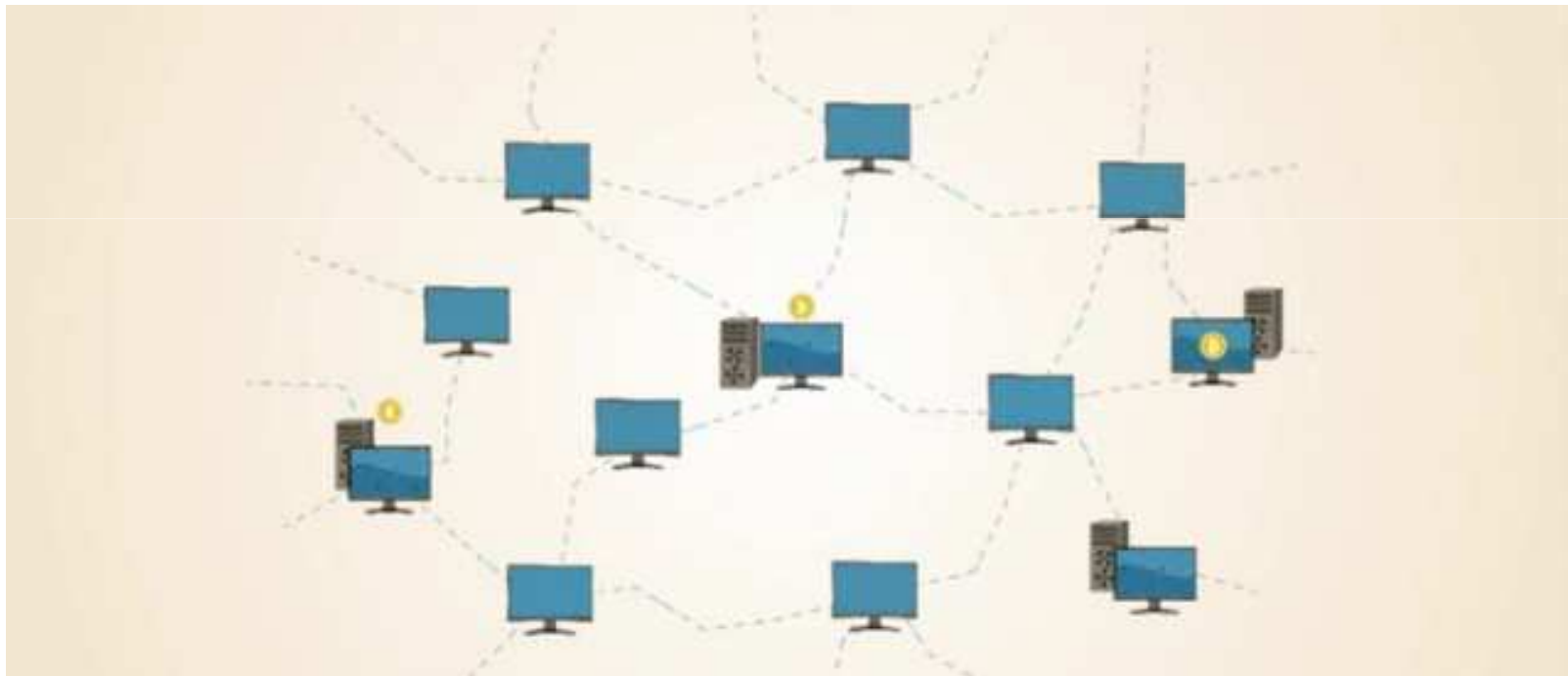
Currency.

Think email. (but also other applications)

Bitcoin uses a Public Ledger

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Receiving Currency

20 Rai	20 Gold Coins	20 Digital £	20 BTC
Physical symbol in limited supply	**Physical** symbol in limited supply	**Abstract** symbol in limited supply	**Abstract** symbol in limited supply
Not very clear who owns it.	Clear to **you** that you have it and that the one gave it to you doesn't have it anymore	**3rd Party** is making sure that you have it and that the one gave it to you doesn't have it anymore	**Everyone** knows that you have it and that the one gave it to you doesn't have it anymore
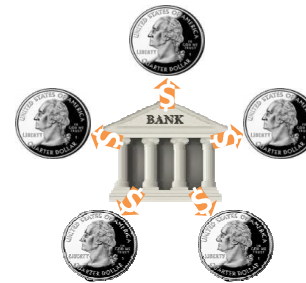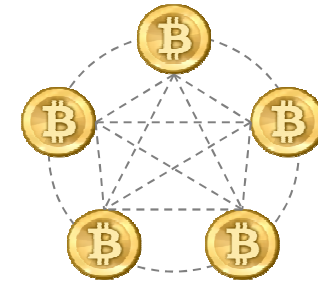
Comparing Currencies
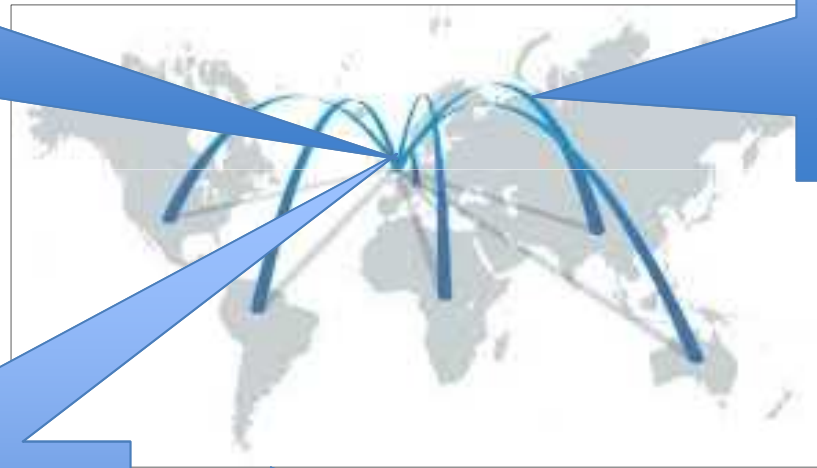
The Bitcoin Economy

Commerce:
- Micro transactions
- Banking
- Shift of Risks
- Lower Transaction Costs

Cross Border:
- Remittances
- SMEs
- Decentralised corporations
- P2P lending

Political:
- Small Governments
- Efficiency
- Creative Destruction
- Balanced Global Economy

Deflation:
- Saving
- Positive ROI
- Durable goods

Progress

Progress *is driven by entrepreneurs and the human spirit, not by currency supply!*

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