



Bitcoin is a digital currency which aims to do away with all the problems we have paying for things online. You may think that the system we have is pretty good but everything we buy today has to go through a bank or credit card company who take a cut of the transaction and who rely on our trust that they'll do everything right. After a while those payments start to build up and added to that is security. You have to trust your card company to keep your details safe.

Many people have tried to work out how to have a payment system without that middleman. But then there's another problem how do you prove that you've paid for something or even that you have that money at all without someone vouching for you. It's so serious it has a name - **the double spending problem**.



Then in 2008, a solution was offered by an anonymous programmer going by the name of Satoshi Nakamoto. Nakamoto left a paper on a popular cryptography blog which proposed a system of currency that solves all of these fiddly problems.

His proposal was that instead of a bank or credit card company recording every transaction in one central ledger, all of the users would record all of the transactions at the same time. As a result any attempt to fool the community would be noticed and the payment rejected. No one user, government or bank can force a fee on a payment or control its flow. The result is a cheaper quicker and easier way to spend money even across national borders.

So this is Bitcoin and it's already starting to have an impact on people's lives. Within months of the proposal it was being used to buy and sell goods although not always from the most scrupulous of traders. But it's not all shady businesses. Some shopping sites take it you can buy pints in London and even pay for your university tuition.

As you might have heard, there are problems. While some are profiting from getting involved early others are losing out from this volatile young market and people are found in companies to buy up lots of bitcoins. But as it's designed to have a limited amount ever in circulation that might cause problems down the road.

There's so much uncertainty around Bitcoin. Some people genuinely think this is the future. Others are terrified it could destroy our economy. But many from both sides agree that if we could get Bitcoin to work or something like it, if we can trust a digital currency to work without the middlemen, then the way the world economy functions could be transformed for the better.



# Bitcoin

## What is bitcoin?

Bitcoin is an innovative payment network. It is a new kind of money. Bitcoin is the first decentralized digital or virtual currency. Bitcoin is money you can send through the internet.

The advantages of using bitcoin is that it can be transferred person-to-person via the internet without going through a bank or clearing house. This results in the fees being lower. They can be used in every country.

Several bitcoin exchanges exist where you can trade. Your bitcoins are kept on your computer or mobile device. You can buy them using euros, sterling, dollars etc. Anything can be bought with bitcoin.

The bitcoin network is secured by individuals called miners. Miners are rewarded by mining for bitcoins. Transactions are paid for from existing bitcoins as transaction fees. Commercial use of bitcoin is currently small compared to its use by speculators, which has fuelled price volatility.

Bitcoins are used by people as an investment tool. Currently there are over 12 million bitcoins in circulation, with an approximate creation rate of 25 every ten minutes. The total supply is capped at 21 million and every four years the creation rate is halved.

Banks remain sceptical about bitcoins with many regarding bitcoins as unregulated. As a medium of exchange bitcoin has a clear potential for growth. However, there has been criminal activity in bitcoins by cybercriminals, for example, theft, black markets and money laundering. Some people regard bitcoins as nothing more than a pyramid operation.

How much is a bitcoin worth today in USD?

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What is the acronym for bitcoin?

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## Questions

- 1) What is a 'bitcoin'?
- 2) What is a 'cybercriminal'?
- 3) What is a 'miner'?
- 4) Give one advantage of a bitcoin.
- 5) Where are bitcoins kept?
- 6) How many bitcoins are in circulation?
- 7) What happens every four years?
- 8) How many bitcoins are created every ten minutes?
- 9) What is 'money laundering'?
- 10) Who is most sceptical about bitcoin?

## DISCUSSION

### Student A questions

- 1) Did the headline make you want to read the article?
- 2) Have you got any bitcoins?
- 3) Would you like to own any bitcoins?
- 4) Is bitcoin a safe currency to use? Explain.
- 5) Can you think of two risks associated with bitcoins?
- 6) Why are bitcoins attractive for cybercriminals?
- 7) Are bitcoins like a pyramid operation?
- 8) Will bitcoins values go up or down?
- 9) Why are bitcoins difficult to understand?
- 10) Have you learnt anything in today's English lesson?

### Student B questions

- 1) What do you think about what you've read?
- 2) When did you first hear about bitcoins?
- 3) Why are banks sceptical about bitcoins?
- 4) Would you consider using any other virtual currency?
- 5) Would you like to trade in bitcoins?
- 6) Can you think of any news stories associated with bitcoins?
- 7) Do you know anyone who has any bitcoins?
- 8) Is the bitcoin currency unstable?
- 9) Has this been a difficult lesson for you to understand?
- 10) Did you like this discussion?

## GAP FILL: READING

### What is bitcoin?

Bitcoin is an innovative payment network. It is a new kind of money. (1)\_\_\_ is the first decentralized (2)\_\_\_ or virtual currency. Bitcoin is money you can send through the internet.

The advantages of using bitcoin is that it can be transferred person-to-person via the internet without going through a bank or clearing house. This results in the fees being (3)\_\_\_. They can be used in every country.

(4)\_\_\_ bitcoin exchanges exist where you can trade. Your bitcoins are kept on your computer or mobile device. You can buy them using euros, sterling, (5)\_\_\_ etc. Anything can be bought with bitcoin.

The bitcoin network is secured by (6)\_\_\_ called (7)\_\_\_. Miners are rewarded by mining for bitcoins. (8)\_\_\_ are paid for from existing bitcoins as transaction fees.

**dollars / transactions / miners / bitcoin / several / individuals / lower / digital**

Commercial use of bitcoin is currently small compared to its use by speculators, which has fuelled price volatility.

Bitcoins are used by people as an investment tool. Currently there are over 12 million bitcoins in (1)\_\_\_, with an approximate creation (2)\_\_\_ of 25 every ten minutes. The total (3)\_\_\_ is capped at 21 million and every four years the creation rate is halved.

Banks remain (4)\_\_\_ about bitcoins with many regarding bitcoins as (5)\_\_\_. As a medium of exchange bitcoin has a clear potential for (6)\_\_\_. However, there has been criminal activity in bitcoins by (7)\_\_\_, for example, theft, black markets and money laundering. Some people regard bitcoins as nothing more than a (8)\_\_\_ operation.

**pyramid / cybercriminals / circulation / growth / supply / unregulated / sceptical / rate**

## GAP FILL: GRAMMAR

### What is bitcoin?

Bitcoin is (1)\_\_\_ innovative payment network. It is a new kind of money. Bitcoin is the first decentralized digital or virtual currency. Bitcoin is money (2)\_\_\_ can send through the internet.

(3)\_\_\_ advantages of using bitcoin is that it can be transferred person-to-person via the internet without going through a bank (4)\_\_\_ clearing house. This results in the fees being lower. They can be used (5)\_\_\_ every country.

Several bitcoin exchanges exist where you can trade. Your bitcoins are kept (6)\_\_\_ your computer or mobile device. You can buy them using euros, sterling, dollars etc. Anything can be bought with bitcoin.

The bitcoin network is secured by individuals called miners. Miners are rewarded (7)\_\_\_ mining for bitcoins. Transactions are paid (8)\_\_\_ from existing bitcoins as transaction fees.

**in / or / on / an / you / the / for / by**

Commercial use of bitcoin is currently small compared to its use by speculators, (1)\_\_\_ has fuelled price volatility.

Bitcoins are used by people as an investment tool. Currently there are over 12 million bitcoins in circulation, (2)\_\_\_ an approximate creation rate of 25 every ten minutes. The total supply is capped at 21 million and (3)\_\_\_ four years the creation rate is halved.

Banks remain sceptical about bitcoins with (4)\_\_\_ regarding bitcoins as unregulated. As a medium of exchange bitcoin has a clear potential for growth. (5)\_\_\_, there has been criminal activity in bitcoins by cybercriminals, for example, theft, black markets and money laundering. (6)\_\_\_ people regard bitcoins as nothing (7)\_\_\_ (8)\_\_\_ a pyramid operation.

**some / however / which / many / more / every / with / than**

# MONEY Discussion

## Student A

Is money important to you? Explain.

If you had a lot of money, what would you spend it on?

What's the most expensive thing you have ever bought?

Do you give money to the homeless? Why or why not?

Do you give money to charities? Why or why not?

Do you think food in your country is too expensive? Explain.

Do you know any rich people? Who are they?

Do you think rich people are happier than other people?

If you could choose between money and beauty (being good-looking), which would you choose and why?

Name 5 activities rich people usually do that the other people can't afford.

Do you know which cities are the richest in the world?



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## Student B

How important is money to you?

Is money really the root of all evil?

Can money buy happiness?

Do you worry about money?

What's the largest amount of money you've ever had in your wallet/purse?

Does having a lot of money make someone more attractive?

Have you ever lost a lot of money?

How much pocket money should a 13-year-old get?

Do you ever run out of money?

Do you agree with the idiom that "a fool and his money are easily parted"?

