

Blockchain Cryptocurrency NFT

*Earn Passive Income With Non-
Fungible Tokens*

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Chapter 1 – What Is Blockchain?

The blockchain is a transformative technology. Some believe blockchain technology has the potential to change nearly every aspect of our lives, far beyond the impact of cryptocurrencies on our financial portfolios. Even crypto skeptics see the value of blockchain technology.

Blockchain will continue to change the way we do things." That all sounds great, but what exactly does it mean? Here is what you need to know about blockchain and what a blockchain revolution could look like.

What is blockchain? Think of blockchain as a new type of digital form of data storage. Blockchain is the underlying technology on which many cryptocurrencies - like Bitcoin and Ethereum - are based, but its unique way of securely recording and transferring information has applications outside of cryptocurrencies. A blockchain is a type of distributed ledger. Distributed ledger technology (DLT) allows data to be recorded on multiple computers called "nodes." Each user of the blockchain can be a node, but operation requires a lot of computer power.

Nodes review, approve, and store data within the ledger. This differs from traditional record-keeping methods, where data is stored in a central location, such as a computer server. A blockchain organizes information added to the ledger into blocks or groups of data. Each block can only hold a certain amount of information, so new blocks are constantly being added to the ledger, forming a chain. Each block has its own unique identifier, a cryptographic "hash."

The hash not only protects the information within the block from anyone who does not have the required code, but also protects the block's place in the chain by identifying the block that came before it. The cryptographic hash is "a series of numbers and letters that can be up to 64 digits long.

Once information is added to the blockchain and encrypted with a hash, it is permanent and immutable. Each node has its own record of the entire timeline of data along the blockchain, going back to its beginning. If someone tampers or hacks a computer and manipulates the data for their own benefit, the information stored by other nodes will not be altered. The way the system works, it's almost impossible for someone to replicate the computing power that's going on in the background and somehow figure out what all those hashes are," Agarwal says.

How it works? Here's an example of how blockchain is used to verify and record bitcoin transactions. A consumer buys bitcoin. The transaction data is sent across the decentralized network of bitcoin nodes. The nodes validate the transaction. The completed block is encrypted and the transaction record is permanent; it cannot be removed or modified from the blockchain.

Bitcoin's blockchain is public, meaning that anyone who owns Bitcoin can view the transaction record. Although it can be difficult to trace the identity of an account, the record shows which accounts are transacting on the blockchain. Public blockchains also allow any user with the necessary computing power to participate as a node in approving and recording transactions on the blockchain. Blockchains can be designed as private ledgers, allowing an owner to restrict who can make changes or additions to the blockchain.

With a private blockchain, the pool of participants is smaller, but still decentralized among participants. The idea of a secure, decentralized, permanent record of information has attracted interest from numerous industries and potentially offers solutions to many security concerns, record-keeping processes, and data ownership issues we face today.

A blockchain-based future. Blockchain gives us the technology to move information securely and to determine the authenticity of any information we want to protect with near-absolute certainty. Consider, for example, the stories that have circulated in recent weeks about memes and celebrities who have monetized digital property by selling NFTs (non-fungible tokens). Because the underlying blockchain record is immutable, sellers can use NFTs to verify the authenticity of a digital asset.

When you buy an NFT, that transaction is added to the blockchain ledger and becomes a verifiable proof of ownership. For those who want to verify the authenticity of a digital work, the blockchain helps value digital art and collectibles similarly to their physical counterparts. In theory, this leads to creators getting their value by receiving royalties for copies of digital art. But what it really shows is that you can have a digital economy with digital property rights. For many of us, one of the most important use cases for blockchain technology may be the protection and secure transfer of personal data: imagine if your banking information was stored on a blockchain. When you open an account at a new financial institution or transfer data between different institutions, a blockchain ledger could help quickly and securely ensure that the transfer or new account is accurate and legitimate using the data you already have stored.

A prediction is that blockchain technology has the potential to be used in almost every industry because every industry has some type of information that they want to share in a very secure way.

Businesses could keep more accurate inventory records with blockchain. Blockchain could even help consumers make more informed purchasing decisions as product supply chains become more transparent. The technology could help food suppliers more efficiently track recalled products or allow consumers to avoid goods made in exploitative labor conditions. Blockchain has the potential to give people more security and certainty.

Investing in the future. Companies and governments around the world continue to test and implement blockchain technology, but none of it will happen overnight. If we ever reach a point where government currencies are based on blockchain or medical records are converted to blockchain, it will not be anytime soon. In the meantime, you can bet on the power of blockchain by adding a blockchain-based cryptocurrency like Bitcoin to your portfolio, but that's not the only way to invest your money in this technology. For example, check to see if your ETFs or mutual funds include companies that are developing blockchain technologies or starting to use blockchain in their business operations. There are even ETFs made up exclusively of these types of companies, called blockchain ETFs.

One example launched in 2018 is the Siren Nasdaq Blockchain Economy Index (BLCN), which has outperformed the S&P 500's total return on both a year-over-year and three-year average basis.

These funds do not invest any of your money specifically in cryptocurrencies, but instead invest in select company stocks - from long-established companies like IBM to lesser-known startups like Galaxy Digital. That still does not guarantee a return, but it can be a more conservative alternative to putting your money directly into the notoriously volatile cryptocurrency market. The difference between speculating directly in cryptocurrencies and investing in blockchain companies is the California gold rush two centuries ago. A lot of people rushed there to dig for gold, and most of them never made any money. The people who made the money are the ones who sold the shovels. The companies that support the development of blockchain are the shovel sellers.

Chapter 2 – What Is Cryptocurrency?

Cryptocurrencies are digital or virtual coins secured by cryptography, which makes them nearly impossible to counterfeit. They have their own value and are intended as a medium of exchange for the purchase of goods or services. Cryptocurrencies are decentralized, which means that they are not regulated by any authority. They are based on blockchain network technology, which provides transparency and helps track every transaction.

Such currencies are theoretically immune to government interference or any kind of manipulation. Since cryptocurrencies have no economic basis, they are inflation-proof. Moreover, the digital structure allows for free transferability across geographical borders, divisibility and transparency. However, they are often criticized for the possibility of misuse for illegal activities, the volatility of exchange rates, and the vulnerability of their underlying infrastructure.

How do cryptocurrencies work? Cryptocurrencies work through a technology called blockchain. They are tokens that can be used as payment in exchange for online goods and services. They have their own predetermined value, just like any other fiat currency like the US dollar or the Indian rupee. Cryptocurrencies are mined digitally, using very sophisticated computers to solve extremely complex mathematical computational problems. What is blockchain technology? The blockchain is a shared, immutable ledger that facilitates the recording of transactions and tracking of assets across a business network. Virtually anything of value can be tracked and traded on a blockchain network, reducing risk and lowering costs for all parties involved.

Unlike a typical digital database, the blockchain stores data in blocks that are then chained together. As new data arrives, it is entered into a new block. Once the block is filled with data, it is chained to the previous block, which then chains the data in chronological order. The most common use of blockchain to date has been as a ledger for transactions. In the case of cryptocurrencies, the blockchain is used in a decentralized manner so that no single person or group has control over it, but all users can share control.

Decentralized blockchains are immutable, meaning that once data is entered, it is irreversible. In the case of cryptocurrencies, this means that transactions are permanently recorded and can be viewed by anyone.

How to invest in cryptocurrencies? It is not very difficult to invest in cryptocurrencies, thanks to the easy access to crypto exchanges and the deep penetration of the Internet and smartphones. Technology has made it easier for potential investors to access digital currencies. To invest in cryptocurrencies, investors must first do some homework to choose the right cryptocurrency and crypto exchange. You can buy these currencies in their home currency or in US dollars from your preferred exchange. However, there are some currencies that only accept investments in bitcoins or other cryptocurrencies.

What are the most important steps in buying cryptocurrencies? Actually, it is quite simple. There are five important steps in the whole process. These are:

- a) Choose a crypto exchange;**
- b) Create your account and verify it;**
- c) Deposit the money and start investing;**

d) Place the order to buy the desired cryptocurrency;

e) Choose a storage method.

However, there are other ways to invest in cryptocurrencies. These include crypto ETFs (similar to those of gold and other ETFs) or investing in cryptocurrency stocks. What is the minimum amount you can invest in cryptocurrencies?

There is no set limit for investing in cryptocurrencies, just like there is no minimum limit for investing in stocks. However, there is a difference. If you do not want to buy a whole cryptocurrency, you can buy small units of it. Once a user is registered, he can add money to his wallet and use this amount to place an order.

Every investor needs a bank account linked to the crypto account to add money and make a digital payment. Only KYC-approved users can make such payments. Investors should note that exchanges charge some fees when you make an investment and redeem it. Fees may vary from one exchange to another and from one currency to another.

Can cryptocurrencies be used for online purchases. Yes, cryptocurrencies are a medium of exchange that can be used to make payments for online purchases. There are hundreds of online stores and retailers that accept Bitcoin and other cryptocurrencies. However, there is a catch. Both the buyer and the seller must agree to accept the particular cryptocurrency for the transaction. There are various search engines to find the goods and services that can be purchased with cryptocurrencies.

Why should you invest in cryptocurrencies? If an investor believes in the technology-backed digital currency, then cryptocurrencies should be their thing. Only a decade old, this asset class has seen astronomical returns over the years.

Some investors are looking to use these digitally coded tokens as a hedge against inflation. Despite the high volatility and speculation, there are plenty of reasons to expect them to catch on in the near future.

Chapter 3 – What Are Non-Fungible Tokens?

What are non-fungible tokens? Non-fungible tokens ("NFTs") are unique digital tokens backed by blockchain technology, the same distributed ledger technology that supports popular cryptocurrencies such as Ethereum and Bitcoin. Although NFTs have been around for some time, they have recently become very fashionable, largely due to the popularity of cryptocurrencies and the infrastructure that supports cryptocurrencies, namely the blockchain. Unlike traditional fiat currencies, cryptocurrencies, and other digital payment instruments where fungibility is a key feature, an NFT, due to its non-fungible nature, creates value that is intended to create scarcity.

A brief explanation of what "fungible" means might be helpful. A fungible item is one that has no unique characteristics and can be replaced by another identical item and is interchangeable. A good example of a fungible item is a fiat currency such as the U.S. dollar. Each dollar bill is considered to be of equal value. Similarly, fungible tokens are fully interchangeable. Unlike "fungible tokens," NFTs have a unique value proposition.

NFTs are unique instances, and each token has a unique ID for easy differentiation from other tokens in the same smart contract for that token. The non-fungible token will have a specific owner, and the value of each NFT may differ due to the separate treatment of each token. Certain NFTs may represent unique tributes with demonstrable rarity. Traditional artworks such as paintings and sculptures are valued for their uniqueness, which in turn leads to scarcity. In contrast, digital files (i.e., digital art) can be easily and infinitely reproduced.

An NFT can therefore be used to "tokenize" a digital file to create a digital certificate of ownership that is stored in the distributed ledger and can subsequently be bought and sold. This allows the creator to make the digital file unique and add an element of scarcity to it, creating value.