

In January 2009, a digital currency hit the world's financial markets. The idea was invented in a whitepaper by a pseudonymous and mysterious man code-named Satoshi Nakamoto. Using blockchain technology, Bitcoin was the first decentralized currency to run on the platform. Before its official launch in January 2009, Bitcoin went through some background processes. In August 2008, the currency's main domain bitcoin.org was listed with WhoisGuard protection enabled, signifying that the info of the person behind the currency is hidden.

By October 2008, the mysterious group or person named Satoshi Nakamoto announces on the Cryptography Mailing platform that he has been working on a new digital cash system, utilizing peer-to-peer relationships without the intervention of a third party. On January 3, 2009, the first Bitcoin was mined and named Block 0, and five days later, the first bitcoin software is publicized on the Cryptography Mailing list. It would take only a day after the mailing for Block 1 mining, and from then onward, the digital currency began in earnest.

How Bitcoin Works

It offered an alternative to centralized government fiat currencies by promising to deliver on government-free transactions using digital signatures and digital coins. The digital transaction is then kept in a public ledger to promote transparency of the operations. The miners, some of whom invested their computing power to keep the program running, are paid in Bitcoin and are major contributors to new protocols included in the blockchain network. These developers and miners could work as a Central Bank of the sort, determining the digital coin collective interest.

The currency's blockchain and decentralized protocols demand that all nodes verify every transaction through massive computing power. The computers are spread throughout the globe and are run by different individuals, making it difficult to corrupt or hack into the system. The computer also referred to as nodes, runs bitcoin's code stored in a blockchain. To simplify the blockchain technology, you can imagine a blockchain as a compilation of several blocks, with each block filled with unique transactions. All the computers in the chain record the same transaction worldwide and make it public, hence enhancing transparency to prevent fraud.

Bitcoin Security

Whether they are miners or not, anybody in the system can see what is happening in the market live. The security of the market operation is heightened to prevent a bad actor or

cheater in the system. To hack the system, one will need to operate 51% of the computers in the system, and with the growing nodes, any attack in the system is unlikely. Even if the attack were to happen, the miners would likely diverge to a new blockchain making the attack a waste of time. The encryption algorithm to protect the operations are coded in long strings of letters and numbers and is used in Bitcoin tokens. These tokens are then kept by using private and public keys to ensure the safety of the system. These keys act as an ATM PIN, and is intended to guard accounts and can only be applied to authenticate bitcoin transactions.

How to Acquire Bitcoin

Bitcoin has gained popularity in the previous years, with investors winning big from the growth of this new currency. The currency continues to see an upsurge of traders and miners worldwide, making many wonder how they can be part of the cryptocurrency community. Here are some steps you can take to buy digital money.

Step 1: Acquire a wallet.

Beginners are advised to use a wallet called Coinbase. The Coinbase is not the safest wallet; however, it is convenient for beginners with less experience since it acts as both a wallet and an exchange for easy transactions. Bitcoin will then award you a private key- the password for your money Coinbase stores. The danger with Coinbase storing your key is that hackers can gain access to the wallet, stealing your money. Due to the instability and dangers of Coinbase, those who want to put in a substantial amount of money will take step 2.

Step 2: Sign up for an account

Just like opening an account at a traditional bank require detailed procedure and paper filling to help keep your money safe, Coinbase will also require some detailed filling of the necessary information. You will start by filling the boxes and, at some point, verify your email. The crypto will require you to take a photo of your ID to ascertain you are human and then wait for the verification process.

Step 3: Connect to a money source.

To buy crypto, you have to pay for it. Therefore, you will need to add a payment method, either a credit or a debit card. Remember that some banks restrict Bitcoin purchases, so do not be surprised if your purchase is blocked.

Step 4: Buy Crypto

In the Bitcoin app, click “Accounts” found at the bottom of the app, and a list of different cryptocurrencies will appear. If the Coinbase offered here does not appeal to you, sign up for a different exchange to make your first transaction. The exchanges here are in bitcoin and Ethereum tech, meaning if you intend to buy ether and bitcoin, you will get BTC and ETH. Before you buy crypto, the advice we offer you is only to invest what you are in a position of completely losing.

Current Value

Since the currency is traded in a volatile market, its prices go through troughs and hills. In some instances, the crypto price has risen and fallen and risen again, which is the characteristic of all-digital money. As of December 2021, the currency is trading at 1 Bitcoin to 46,945.60 USD, subject to constant fluctuations in the market. Do not be scared of the price. Bitcoin offers you an opportunity to buy a fraction of it with as low as 10 USD or equivalent currencies.

Conclusion

The birth of the first cryptocurrency, Bitcoin, changed the scope of financial markets and money as we know it. Miners have experienced the rise and the fall of Bitcoin prices and the rise again, making it fun for trading. The security measures and the transparency involved in the operations make Bitcoin the leader of the world’s future currency. People investing in this currency now are likely to continue to reap big in the future as the world continues to shift to digital money.