

bitcoin PROFIT SECRETS



CHECKLIST

Bitcoin Background

- First successful cryptocurrency
- Originally meant to be a peer-to-peer payment system
- Addressed the problem of double spending
- Founder: Satoshi Nakamoto (pseudonym)
- Year Invented: 2008
- Technology Used: The Blockchain
- 1 bitcoin = 100,000,000 Satoshis
- Only 21,000,000 bitcoins will ever be created
- No actual intrinsic value
- Only took 5 years to breach \$1000 mark

Advantages of Bitcoin

- Very fast payments
- Very low transaction fees
- Can pay or receive bitcoins anytime of day
- Don't need a bank account
- Decentralized, open-source, transparent
- No banks or government controls it
- Not subject to politics and corruption
- Anyone can create a bitcoin wallet
- You have total control of your bitcoins
- Protects users from identity theft
- Transactions are irreversible once verified by network
- No threat of chargebacks

Disadvantages of Bitcoin

- Extremely risky
- High volatility
- Still relatively new
- Not fully matured and developed

What You Can Buy with Bitcoins

- Common household items
- Gift cards
- Video games
- High-tech gadgets
- Plane tickets
- Rent vehicles
- Pizza, burgers, sandwiches, etc.
- Coffee, beer, etc.
- Donate to charity
- Reddit gold
- Many more items!

Methods to Acquire Bitcoin

- ☐ Buy bitcoins
 - Fastest method of getting bitcoins
 - Will need to spend fiat money
 - Top cryptocurrency exchange / brokers:
 - Coinbase/GDAX
 - Kraken
 - Gemini
 - Bitstamp
 - CEX.io
 - Cash exchanges
 - LocalBitcoins
 - Wall of Coins
- ☐ Trade other cryptocurrencies for bitcoin
 - Great if you already have other crypto
 - Don't need to spend fiat money
 - Crypto to crypto exchange
 - ShapeShift
- ☐ Get paid with bitcoins
 - Work for bitcoins
 - Sell products or services
 - Receive tips from customers
 - Complete small tasks on websites, such as:
 - Complete surveys

- Watch videos
- Click ads
- Answer questions
- Sign up for trial offers
- Download mobile apps
- Play online games
- Shop online
- Join bitcoin faucets
- Get a few Satoshis at regular intervals
- ☐ Mine your own bitcoins

Bitcoin Mining

- Role of miners
 - ☐ Verifies transactions
 - ☐ Create new bitcoins
 - ☐ Without miners, there will be no new bitcoins

Bitcoin Mining Terminology

- Blocks
- Bitcoins per block / reward
- Bitcoin difficulty
- Electricity rate
- Hash
- Hash rate
- Pool fees
- Power consumption
- Time frame

Bitcoin Mining Hardware Used By Miners

- CPU (Computer Processing Unit)
- Used in the early days
- GPU (Graphical Processing Unit)
 - More efficient than CPUs
 - 50-100 times more productive than CPUs

- FPGA (Field-Programmable Gate Array)
 - More powerful than CPUs and GPUs
 - Less power hungry
- ASIC (Application-Specific Integrated Circuit)
 - Primary hardware used today
 - Used solely for mining
 - Most efficient hardware
 - Consumes less power than FPGAs
- Mining difficulty
 - Average mining time – 10 minutes
 - More miners, mining difficulty increases
- Mining rewards
 - Reward is halved every 210,000 blocks
 - Initial reward was 50 bitcoins
 - November 28, 2012 - reward was halved to 25 bitcoins
 - July 9, 2016 – reward again halved to 12.5 bitcoins
 - Year 2021 – reward will drop to 6.25 bitcoins
- Mining pools
 - Allow miners to pool resources
 - Divide bitcoin reward among themselves
- Cloud mining
 - No need to buy own hardware
 - No need to worry about electric bills
 - Pay a subscription fee start mining
 - Very few legit cloud mining sites
 - Most are Ponzi-style scams

Bitcoin Wallets

- Hot wallets
 - Easy and free
 - Can be hacked
 - Can be accessed anywhere with Internet
 - Private keys are stored online
 - Example hot wallets
 - Online wallets from crypto exchanges
 - Mobile app wallets
 - Desktop wallets

- Cold wallets
 - Very difficult to hack
 - Offline storage
 - Much safer than hot wallets
 - Example cold wallets
 - Paper wallets
 - Hardware wallets

Common Bitcoin Scams

- Fake bitcoin exchanges
 - Offers too good to be true exchange rates
 - Unknown in the industry
- Phishing scams
 - Email phishing scams
 - Malware scams
- Ponzi scams
 - Offers outlandish ROI
 - Usually guarantees daily profits forever
- Cloud mining scams

Trading vs Investing

- Trading is short-term
 - Takes advantage of volatility
 - Buy low and sell high method
 - Very risky
- Investing is long-term
 - Buy and hold method
 - Dollar cost averaging method

Future of Cryptocurrency

- Blockchain technology will become mainstream
- Combat crime and corruption
- Massive adoption in developing economies