Cash Course | Grades 6+

Cryptocurrency | Worksheet

Cash Course Vocab

Match the definition in Column A with the term in Column B.

Column A		Column B
_____	Digital money protected by secret codes.	a. Decentralized currency
_____	Public ledger that records every transaction.	b. Bitcoin
_____	Digital currency operating without central control.	c. Fiat currency
_____	Government-issued money, not backed by physical goods.	d. Blockchain
_____	Currency not controlled by any government.	e. Cryptocurrency

1. **Bitcoin has a limit on how many can ever exist. Why does this matter?**
    a. It guarantees a fixed price for each Bitcoin.
    b. It ensures that Bitcoin will eventually become the only global currency.
    c. It creates scarcity, potentially increasing Bitcoin's value over time.
    d. It means that Bitcoin can be infinitely divided, making it less valuable.
2. **Blockchain spreads out transaction data across many computers. How does this help keep Bitcoin safe?**
    a. It makes transactions more vulnerable to hacking and fraud.
    b. It eliminates the need for security measures in transactions.
    c. It protects transactions by making it hard for hackers to access all data.
    d. It makes it easier for centralized authorities to track and control transactions.
3. **What does 'mining' Bitcoin mean?**
    a. Buying goods or services using Bitcoin.
    b. Checking and recording Bitcoin transactions, earning Bitcoin as a reward.
    c. Banks create new Bitcoin when needed.
    d. Keeping Bitcoin in a digital wallet to save for the future.
4. **How could Bitcoin change the way banks work?**
    a. Banks might use Bitcoin technology, making other forms of money obsolete.
    b. Bitcoin offers a different way to handle money, reducing bank control.
    c. Banks would collapse immediately, causing major economic problems.
    d. Banks would become better and safer thanks to Bitcoin technology.

Application:

Suppose the current value of 1 Bitcoin (BTC) is $40,000. Alex decides to purchase 0.025 BTC. A week later, the value increased by 12.5%. Calculate the following:

1) What was Alex's initial investment cost?
2) After the increase, what is the total value of Alex's Bitcoin?
3) How much profit does Alex make if he sells his Bitcoin at the new value?

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Answer Key

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Application:

Solution

1) 0.025 x $40,000 = $1,000 initial investment.
2) 12.5% = 0.125; 0.125 x $40,000 = $5,000; $40,000 + $5,000 = $45,000 new Bitcoin value. 0.025 x $45,000 - $1,125 is the new value with the increase.
3) $1,125 - $1,000 = $125 Alex's profit after selling.