

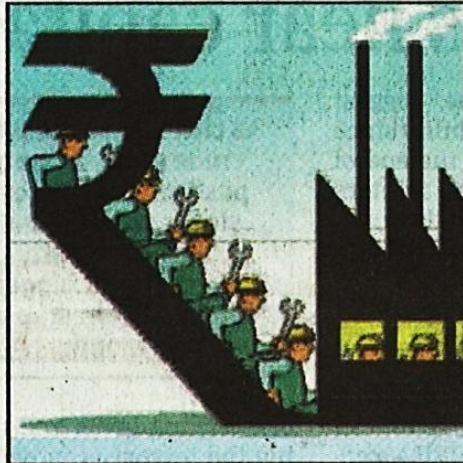
# IIM-I students chart way out of rupee crisis

TIMES NEWS NETWORK

**Indore:** At a time when the country has suffered devaluation of rupee against dollar, inflation and fuel price volatility in exchange market, two students of Fellow Programme in Management (FPM) at Indian Institute of Management, Indore (IIM-I) have rekindled hopes to address the problems through introduction of 'Bit Coin' currency system.

Bit coin is a crypto currency which currently has market capitalisation of \$8.1 billion. The recognition is mainly because of its introduction during financial crisis, when trust on government and policy makers was low. It is an alternative to card networks and money transfer system.

Khadija Vakeel and Nitya Saxena of IIM-I in their study found out that at a



time, when the country is struggling to achieve a respectable position on matters of financial inclusion, Bit Coin can be a game changer.

Bit Coin can also lead to a new industry and challenge for IT youths and

The study states that considering the early phase, the future of bit coin is indecisive in India as Reserve Bank of India has issued an official warning of potential financial, operational, legal, customer protection and security related risks while using bit coin. It had stated that online currency is vulnerable to hackers and malwares.

can address the problem of brain drain. While Singapore is pro bit coin, China stands against it. India is yet to take a side. Users having Bit Coin can enter into virtual goods and services exchange. The study states that inflation is simply

a rise in prices over a period of time, which is generally the result of the devaluation of currency.

This is a function of supply and demand. Given the fact that the supply of bit coins is fixed at a certain amount, unlike fiat money, the only way for inflation to get out of control is for demand to disappear.

However, constant check on technology and absence of legal framework or customer grievance system are few limitations. The study states that considering the early phase, the future of bit coin is indecisive in India as Reserve Bank of India has issued an official warning of potential financial, operational, legal, customer protection and security related risks while using bit coin. The Apex Bank had stated that online currency is vulnerable to hackers and malwares.

# 'BITCOIN CAN STABILISE VOLATILE MARKET'

● **OUR STAFF REPORTER**  
Indore

A study by two students of Indian Institute of Management Indore (IIM-I) discovered that bitcoin currency system could check devaluation of Indian currency and

stabilise the volatile market.

Students of Fellow Programme in Management (FPM) Khadija Vakeel and Nitya Saxena, who carried out the research, said that the Indian Government should consider bitcoin currency system. Bitcoin is a

crypto currency that currently has market capitalisation of \$8.1 billion. It got recognition during financial crisis in 2009, when trust on the government and the policy makers had gone all time low. "It is an alternative to card networks and money

transfer system and could smooth the market of the country," the duo believes.

"Bit coin system can address financial inclusion related matters and the problem of brain drain," they added. Singapore is pro bitcoin. Users having Bitcoin

can enter into virtual goods and services exchange.

The duo stated that the inflation is simply a rise in prices over a period of time due to mismatch of demand and supply ratio.

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certain amount, unlike fiat money, the only way for inflation to get out of control is for demand to disappear.

However, constant check on technology and absence of legal framework or customer grievance system are few limitations.

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