

# What is Bitcoin? Is it possible to earn Bitcoin yourself?

Bitcoin is known as a valuable virtual currency known to many people. To learn more about what Bitcoin is? Is it possible to earn Bitcoin yourself? You can refer to TipsMake's article below to answer these questions.

**Bitcoins** are created by all the people and businesses that invest in bitcoins by using computer algorithms to solve certain mathematical formulas.

Bitcoin is the first major example of a growing type of money called **cryptocurrency** .

*What makes bitcoin different from other conventional currencies?*

People can use bitcoin to buy electronics. Accordingly, bitcoin, like **USD** , **Euro** or **Yen** , is also traded digitally.



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However, the most important nature of bitcoin and also the factor that makes bitcoin different from other common currencies is that bitcoin is decentralized. No single entity controls the bitcoin network, so some people will feel comfortable that big banks don't have control over their money.

*Who created bitcoin?*

Software developer **Satoshi Nakamoto** proposed bitcoin, an electronic payment system based on mathematical proof. The idea is to produce a currency independent of authorities, transferable electronically more or less

instantly, with very low transaction fees.

### ***Who prints bitcoin?***

No one. This currency is not secretly printed in central banks and issued like other paper currencies because they cannot make their own rules. These banks can only create more money to cover national debts, so their currencies depreciate.

Instead bitcoins are created digitally by a community that anyone can join. Bitcoins are 'mined' by leveraging computing power in a distributed network.

The network also handles transactions made with virtual currencies, effectively with bitcoin's own payment network.



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### ***So you can't create unlimited bitcoins?***

This is absolutely true. The bitcoin protocol - the rules by which bitcoin works - dictates that there are only 21 million bitcoins ever created by miners. However, this amount can be divided into smaller parts (the smallest divided amount is one hundred million of one bitcoin and is called Satoshi, the creator of bitcoin).

### ***What is Bitcoin based on?***

Conventional currencies are based on gold or silver. Theoretically, you can exchange one USD at the bank for gold (although in practice this has not been done yet), but bitcoin is different, based not on gold but on mathematics.

Everywhere in the world, people are using software programs that follow a mathematical formula to produce bitcoins. The mathematical formula is available so anyone can test it.

The software is also open source, which means anyone can be sure what it is doing.

### **What are the characteristics of bitcoin?**

Bitcoin has several important features that set it apart from government-backed currencies.

## ***1. Bitcoin is decentralized***

The bitcoin network is not controlled by authorities. Each machine that mines bitcoins and processes transactions occupies a portion of the bitcoin network, and the machines work together.

To put it simply, a competent authority cannot theoretically make monetary policy decisions, or simply make decisions to confiscate people's bitcoins, like the European central bank. (Central European Bank) did it in Cyprus in early 2013.



And if for some reason some part of the bitcoin network goes down, that money continues to flow.

**Tips:** If you want to learn about how to earn Bitcoin, you can refer to the tutorial here for more details.

## ***2. Easy to set up***

Normally, opening a bank account takes a long time. Setting up merchant accounts for payments is another Kafkaesque task, dominated by 'bureaucracy'.

However, you can set up a bitcoin address in seconds, no questions asked, and no fees.

## ***3. Bitcoin is 'anonymous'***

Users can own multiple bitcoin addresses, and these addresses are not tied to names, addresses or other personally identifiable information.

## ***4. Bitcoin is completely transparent***

Bitcoin records the details of every transaction that has ever occurred in a giant network called the blockchain.

If you make your Bitcoin address public, anyone can know how many bitcoins there are at that address, they just don't know that it's your bitcoins.

Some people can make it more opaque when using bitcoin by not using bitcoin addresses consistently and not transferring multiple bitcoins to a single address.

## ***5. Transaction fees are very small***

Your bank may charge a £10 international transfer fee, but not for bitcoin.

## ***6. Quick payment***

You can send money anywhere and it will arrive in minutes , as soon as the bitcoin network processes the payment.

## ***7. Once gone, there is no coming back***

Once your bitcoin is sent, it will not return unless the recipient returns it to you. Otherwise bitcoin will disappear forever.

You can also refer to how to sell Bitcoin and trade bitcoin here to avoid being scammed and having your property taken over.

Above, TipsMake has just introduced to you what Bitcoin is? Is it possible to earn Bitcoin yourself?. This is the basic, first knowledge before mining bitcoins and earning bitcoins.

In addition, readers can follow and read TipsMake's next articles to learn more about how bitcoin works in practice? Learn how bitcoins are mined, what happens when a bitcoin transaction occurs, and how the network keeps track of everything.

You finished reading the article "**What is Bitcoin? Is it possible to earn Bitcoin yourself?**" edited by the [TipsMake](#) team. We hope this article has provided you with many useful tech tips and tricks. You can search for similar articles on tips and guides. Thank you for reading and for following us regularly.