



# The Synergy of Blockchain Technology with the Financial System

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## ABSTRACT

Blockchain technology, which is referred to as the foundation of bitcoin is gaining massive attention these days. It serves as an immutable ledger that allows the transactions to take place in a decentralized manner. In this paper we discuss about the blockchain technology, its evolution towards sustainable development for various cryptocurrencies like bitcoin, ethereum, ripple, lifecoin etc.. An exhaustive comparison has been drawn on different blockchain types based on some parameters. Since blockchain is in great demand these days its applications in various areas has been also discussed in detail.

**KEYWORDS:** Blockchain, Bitcoin, Consensus Protocol

## I. INTRODUCTION

Blockchain technology was first projected by Nakamoto (2008) in the perspective of a peer to peer crypto currency titled – "Bitcoin. These findings laid down the potential of a new peer-to-peer technology which does not require any central authority or bank and the network alone manages the transactions as well as bitcoin distribution amongst various users. 1 Nowadays, Blockchain technology is used for the creation of many crypto currencies like bitcoin, etherium, bitcoin cash, lifecoin etc. by the convention of a digital decentralized ledger over a Peer-to-Peer (P2P) network. Blockchain emerged as the underlying technology of the digital cryptocurrency has recently attracted great attention from the tech giants to manufacturers. 2 Every participant can do the changes with ledger by following various blockchain protocols. 3 Magnetism of blockchain lies in the fact that it does not require any intermediary central

authority or third party for transactions over peer-to-peer network.

Blockchain has transformed the way of financial transaction by the use of its immutability, transparency, anonymity, security and decentralization features. The World Economic Forum (WEF) in 2019 predicted that the mind-boggling initiatives are also happening allied to digital currency and economic addition. India's Reliance Industries announced that its mobile subsidiary Jio will turn its 300 million users into the world's largest blockchain network whereas Facebook proposed Libra, the crypto asset that could turn the social media giant into the world's largest retail bank overnight. In addition, People's Bank of China declared that they are also ready to launch a sovereign digital yuan for international use. 4

Consequently, a huge number of companies as well as countries in the related markets have invested in the blockchain sector, escalating the financial support and participating in international