

Virtual currency

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What is virtual currency?

It is a type of unregulated digital currency that is only available in electronic form. It is stored and transacted only through designated software, mobile or computer applications, or through dedicated digital wallets, and the transactions occur over the internet through secure, dedicated networks

In other words, Virtual currency is currency held within the blockchain network that is not controlled by a centralized banking authority.

This type of currency relies on a system of trust and may not be issued by a central bank or other banking regulatory authority.

They derive their value based on the underlying mechanism, like mining in cases of cryptocurrencies, or the backing by the underlying asset

Difference between virtual currency and digital currency

- Digital currency is simply currency issued by a bank in digital form. And it is regulated by that particular bank.
- On the other hand, Virtual currency is unregulated and therefore experiences dramatic price movements since the only real force behind trading is consumer sentiment
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Examples of Virtual Currency include

- Bitcoin, Litecoin, and XRP.