

Bitcoin: after ten wild years, what next for cryptocurrencies?

Level 1 • Pre-intermediate / Intermediate

1 Warmer

Match the currencies to the countries they come from.

- | | |
|-------------|-----------------|
| 1. ruble | a. South Africa |
| 2. yen | b. Turkey |
| 3. zloty | c. Russia |
| 4. rand | d. China |
| 5. renminbi | e. Poland |
| 6. lira | f. Japan |

2 Key words

Fill the gaps in the sentences using these key words from the text. The paragraph numbers will help you.

scammer

wiped out

bubble

encrypted

boom and bust

1. A _____ is economic growth that is extremely good for a short period of time. (para 1)
2. If data is _____, it is changed into a code. (para 2)
3. _____ is periods of success followed by periods of failure. (para 3)
4. If something is _____, it is destroyed completely. (para 3)
5. A _____ is someone who uses a dishonest plan to get money, especially online. (para 4)

regulation

blockchain

revolutionize

launched

cryptocurrency

6. A _____ is a digital currency that is independent of a central bank. (para 4)
7. If something is _____, it is started. (para 5)
8. _____ is official rules that control the way that things are done. (para 5)
9. A _____ is a system in which transactions made in a cryptocurrency such as bitcoin are recorded in a computer network. (para 6)
10. If you _____ something, you to completely change it. (para 6)

3 Find the information

Find the following information in the text as quickly as possible.

1. How much did the two pizzas cost in bitcoin?
2. When was bitcoin born?
3. What is the most bitcoin increased in value by in a single day?
4. What was the value of bitcoin at the end of 2017?
5. What was the value of bitcoin recently?
6. What value did John McAfee predict for bitcoin by the end of 2020?

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Richard Partington

4 January, 2019

- 1 Two years after bitcoin began, 10,000 bitcoin was enough to buy a couple of takeaway pizzas. Today, 10,000 bitcoin is worth nearly \$38m. That is a huge increase but a lot less than its value of \$180m only 13 months before. This is because the digital currency has experienced one of the biggest economic bubbles in history.
- 2 Bitcoin was born on 3 January, 2009. It was created as a digital currency to avoid the traditional finance industry using encrypted code. In May, 2010, somebody bought something using bitcoin for the first time: those two large pizzas worth \$30 for 10,000 bitcoin.
- 3 But in recent years, bitcoin has become more famous for its boom and bust. Its value increased very quickly by more than 1,000%, sometimes increasing in value by \$2,500 in a single day, and it was valued at almost \$20,000 at the end of 2017. But during 2018, the digital currency collapsed and recently was worth just \$3,780. It wiped out many investments when it collapsed.
- 4 There were warnings from economists, and the finance industry says bitcoin helps scammers and terrorists. But there are still lots of cryptocurrency fans, with news websites, blogs and podcasts.
- 5 The digital currency was launched as more than just an opportunity for investors to make millions (then lose millions). The technology it uses has excited businesses. But bitcoin will have a lot more regulation in the future.
- 6 The UK government is planning to give wide new powers over digital currencies to the Financial Conduct Authority, after warnings that bitcoin and other cryptocurrencies were similar to the "Wild West" and exposed consumers to various risks. However, despite losing some investors millions of pounds, the bitcoin boom and bust has also attracted attention to the technology it uses – the blockchain – which could revolutionize the way companies make and receive payments or transfer information.
- 7 Wild estimates were made for the future value of bitcoin in early 2018. John McAfee, the software security company founder, predicted it would reach \$500,000 by the end of 2020. The Winklevoss twins, who have invested a lot of money in bitcoin, said it could eventually match gold in value – this means a price above \$320,000 and total market value of at least \$4tn.
- 8 The argument was that the price of something only exists because society agrees it is worth that amount, and why should bitcoin be any different? But gold has been highly valued for thousands of years, and bitcoin hasn't.
- 9 At the start of its tenth year, predictions for Bitcoin's future are uncertain. Stephen Innes, of the currency trading firm Oanda, is quite optimistic: "A bit of risk is still in the air, but I'm starting to see the positives now – we could see \$5,000 and even a \$6,000." Financial analyst Clement Thibault says investor confidence has been destroyed: "I believe too many people lost a lot of money last year, and once an asset has been called a bubble, it takes time to rebuild the trust."
- 10 There are still people who believe bitcoin could – or should – be wiped out completely. But Dutch banker Teunis Brosens thinks it will just gradually disappear: "A year ago, I wrote a note saying bitcoin will become something just a few people use," he said. "I'm happy to say I was right."

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First published in *The Guardian*, 04/01/19

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4 Comprehension check

Match the beginnings and endings to make statements about the text.

- | | |
|--|---|
| 1. At first, the value of bitcoin ... | a. ... still optimistic about the future of bitcoin. |
| 2. But recently, bitcoin ... | b. ... could change the way businesses make and receive payments. |
| 3. Some people are ... | c. ... increased rapidly. |
| 4. Other people think ... | d. ... lost a lot of money in 2018. |
| 5. The technology bitcoin uses ... | e. ... that bitcoin might disappear completely. |
| 6. Some people who invested money in bitcoin ... | f. ... has lost a lot of its value. |

5 Chunks

Rearrange the words to make phrases from the text.

- thirteen only before months
- of at 2017 the end
- regulation future a in the more lot
- 2020 the by of end
- thousands valued of highly years for
- eventually could match in gold it value

6 Two-word phrases

Match the words in the left-hand column with the words in the right-hand column to make expressions from the text.

- | | |
|-------------|-------------|
| 1. huge | a. value |
| 2. digital | b. increase |
| 3. software | c. currency |
| 4. market | d. industry |
| 5. finance | e. pizza |
| 6. takeaway | f. security |

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7 Word-building

Complete the table using words from the text.

	noun	noun
1.	argue	
2.	invest	
3.	invest	(person)
4.	consume	(person)
5.	found	(person)
6.	scam	(person)

8 Discussion

- Would you like to use bitcoin? Why? Why not?

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KEY

1 Warmer

1. c
2. f
3. e
4. a
5. d
6. b

2 Key words

1. bubble
2. encrypted
3. boom and bust
4. wiped out
5. scammer
6. cryptocurrency
7. launched
8. regulation
9. blockchain
10. revolutionize

3 Find the information

1. 10,000
2. 3 January, 2009
3. \$2,500
4. almost \$20,000
5. \$3,780
6. \$500,000

4 Comprehension check

1. c
2. f
3. a
4. e
5. b
6. d

5 Chunks

1. only thirteen months before
2. at the end of 2017
3. a lot more regulation in the future
4. by the end of 2020
5. highly valued for thousands of years
6. it could eventually match gold in value

6 Two-word phrases

1. b
2. c
3. f
4. a
5. d
6. e

7 Word-building

1. argument
2. investment
3. investor
4. consumer
5. founder
6. scammer