

“A STUDY ON BIT COIN AND ITS RELATIONSHIP BETWEEN THE GOLD PRICES OF INDIA”

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Abstract: the study is based on the relationship between the Bit coin value and gold prices of India the study is based on the explorative research method has been used for the study the data collected from the secondary sources and the study used the statistical tool like T test and Descriptive tools were used and it is find that there is correlation between the Bit coin value and gold prices in India it is suggested to the investors they need to invest in the gold rather than the bit coin for their investment options and the study is concluded that there is a relationship between the Bit coin and the gold price

Key words: Gold price, Bit coin value and Crypto currency

Introduction:

In the ever-evolving financial landscape, Bitcoin and gold stand out as two prominent yet contrasting investment options. Bitcoin, a decentralized digital currency, embodies a forward-thinking approach to financial transactions and investments. Through blockchain technology, Bitcoin offers a secure and independent alternative to conventional financial systems. Since its introduction in 2009 by the pseudonymous Satoshi Nakamoto, Bitcoin has captured attention for its potential to yield significant returns, serve as a hedge against inflation, and promote financial inclusion. However, its inherent volatility and speculative nature present both risks and opportunities for investors.

In contrast, gold has been a cornerstone of financial stability and wealth preservation for thousands of years. Its intrinsic value and stability are especially significant in countries like India, where gold holds substantial

cultural and economic importance. Gold's long-standing role as a safeguard against economic instability and inflation is well-documented, making it a preferred investment asset for many Indian investors. While Bitcoin represents a modern innovation in finance, gold remains a timeless asset, valued for its enduring stability and intrinsic worth

Need of the study

The need of the study is to know the concept of currency and how it is correlating to the gold price

Scope of the study

The scope of the study is applicable to the bit coin value and Gold price and it also it covers from 2019-2023

Objectives

- To study about the concept of Bit coin
- To compare the relationship between



the Bit coin and Gold prices

- To compare investment risk in between Bitcoin and gold.

Research and methods

Nature of the study: the study is based on Descriptive in nature

Sources of data: the data has been collated from the secondary sources like different websites

Study period: the study period is only five years (i.e. 2019-2023)

Number of variable: Gold price and Bit coin value

Tools and techniques

- Descriptive analysis
- T test

Limitations of the study

The study is limited to the Gold prices and Bit coin value only and monthly data from the 2019-2023

Review of literature

Goodell, J. W., & Vahdati, M. (2020) Goodell and Vahdati (2020) looked at how Bitcoin and gold prices relate to each other, especially during economic crises. They

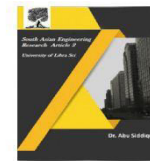
found that Bitcoin and gold prices show only a weak to moderate connection. This means that while there can be some interaction between the two, they don't always move together in the same direction. This study helps us understand how Bitcoin and gold might affect each other in India, where both are important but serve different purposes in investment. Overall, the study shows that Bitcoin and gold generally move independently due to different market factors.

Baur, D. G., & McDermott, T. K. (2010)

Baur and McDermott (2010) look at whether gold is a good investment during economic troubles. They found that gold usually does well when other investments are struggling, making it a safe choice in crises. This is especially relevant in India, where gold is a traditional and important investment. The study shows that while gold often stays stable during tough times, it doesn't always protect against all economic ups and downs. This helps us understand how gold might interact with Bitcoin in India, where Bitcoin's price is more unstable compared to gold's more stable performance.

Data analysis and interpretations:

Gold Monthly Price - Indian Rupee per Troy ounce			BITCON VALUE		
Month	Price	Change	Month	Adj Close	Change
Jan-19	91,392.22	3.19%	Jan-19	3,437.20	-7.34%
Feb-19	93,999.48	2.85%	Feb-19	3,816.60	11.04%
Mar-19	90,384.77	-3.85%	Mar-19	4,102.30	7.49%
Apr-19	89,277.40	-1.23%	Apr-19	5,320.80	29.70%
May-19	89,588.57	0.35%	May-19	8,558.30	60.85%
Jun-19	94,370.20	5.34%	Jun-19	10,818.60	26.41%



Jul-19	97,215.99	3.02%	Jul-19	10,082.00	-6.81%
Aug-19	1,06,747.70	9.80%	Aug-19	9,594.40	-4.84%
Sep-19	1,07,755.20	0.94%	Sep-19	8,284.30	13.65%
Oct-19	1,06,209.10	-1.43%	Oct-19	9,152.60	10.48%
Nov-19	1,05,057.20	-1.08%	Nov-19	7,546.60	17.55%
Dec-19	1,05,296.50	0.23%	Dec-19	7,196.40	-4.64%
Jan-20	1,11,318.50	5.72%	Jan-20	9,349.10	29.91%
Feb-20	1,14,110.60	2.51%	Feb-20	8,543.70	-8.62%
Mar-20	1,18,306.20	3.68%	Mar-20	6,412.50	24.94%
Apr-20	1,28,239.40	8.40%	Apr-20	8,629.00	34.56%
May-20	1,29,825.50	1.24%	May-20	9,454.80	9.57%
Jun-20	1,31,144.10	1.02%	Jun-20	9,135.40	-3.38%
Jul-20	1,38,521.80	5.63%	Jul-20	11,333.40	24.06%
Aug-20	1,47,001.40	6.12%	Aug-20	11,644.20	2.74%
Sep-20	1,41,258.90	-3.91%	Sep-20	10,776.10	-7.46%
Oct-20	1,39,622.50	-1.16%	Oct-20	13,797.30	28.04%
Nov-20	1,38,605.90	-0.73%	Nov-20	19,698.10	42.77%
Dec-20	1,36,887.20	-1.24%	Dec-20	28,949.40	46.97%
Jan-21	1,36,490.30	-0.29%	Jan-21	33,108.10	14.37%
Feb-21	1,31,572.70	-3.60%	Feb-21	45,164.00	36.41%
Mar-21	1,25,074.80	-4.94%	Mar-21	58,763.70	30.11%
Apr-21	1,30,979.50	4.72%	Apr-21	57,720.30	-1.78%
May-21	1,35,731.70	3.63%	May-21	37,298.60	35.38%
Jun-21	1,34,947.80	-0.58%	Jun-21	35,026.90	-6.09%
Jul-21	1,34,722.00	-0.17%	Jul-21	41,553.70	18.63%
Aug-21	1,32,430.80	-1.70%	Aug-21	47,130.40	13.42%
Sep-21	1,30,677.00	-1.32%	Sep-21	43,823.30	-7.02%
Oct-21	1,33,092.20	1.85%	Oct-21	61,309.60	39.90%
Nov-21	1,35,690.30	1.95%	Nov-21	56,882.90	-7.22%
Dec-21	1,35,247.80	-0.33%	Dec-21	46,219.50	18.75%
Jan-22	1,35,199.70	-0.04%	Jan-22	38,498.60	16.70%
Feb-22	1,39,282.30	3.02%	Feb-22	43,188.20	12.18%
Mar-22	1,48,511.30	6.63%	Mar-22	45,525.00	5.41%



Apr-22	1,47,553.40	-0.64%	Apr-22	37,650.00	17.30%
May-22	1,42,906.00	-3.15%	May-22	31,793.40	15.56%
Jun-22	1,43,396.30	0.34%	Jun-22	19,926.60	37.32%
Jul-22	1,37,959.50	-3.79%	Jul-22	23,303.40	16.95%
Aug-22	1,40,379.70	1.75%	Aug-22	20,043.90	13.99%
Sep-22	1,34,878.60	-3.92%	Sep-22	19,423.00	-3.10%
Oct-22	1,37,038.90	1.60%	Oct-22	20,496.30	5.53%
Nov-22	1,41,158.50	3.01%	Nov-22	17,163.90	16.26%
Dec-22	1,48,048.60	4.88%	Dec-22	16,537.40	-3.65%
Jan-23	1,55,401.50	4.97%	Jan-23	23,125.10	39.83%
Feb-23	1,53,192.90	-1.42%	Feb-23	23,130.50	0.02%
Mar-23	1,57,403.00	2.75%	Mar-23	28,473.70	23.10%
Apr-23	1,64,022.70	4.21%	Apr-23	29,252.10	2.73%
May-23	1,64,018.00	0.00%	May-23	27,216.10	-6.96%
Jun-23	1,59,803.90	-2.57%	Jun-23	30,472.90	11.97%
Jul-23	1,60,328.50	0.33%	Jul-23	29,232.40	-4.07%
Aug-23	1,58,840.30	-0.93%	Aug-23	25,937.30	11.27%
Sep-23	1,59,136.00	0.19%	Sep-23	26,962.70	3.95%
Oct-23	1,59,497.80	0.23%	Oct-23	34,650.60	28.51%
Nov-23	1,65,258.20	3.61%	Nov-23	37,712.90	8.84%
Dec-23	1,68,779.50	2.13%	Dec-23	42,272.50	12.09%
Mean	13284647.22%		Mean	24,860.38	
Standardization	21279.61284		Standardization	15834.07083	
Covariance	169387400.1		Covariance	169387400.1	
Correlation	0.502718418		Correlation	0.502718418	

Descriptive Analysis results

Mean	133549.0866	Mean	25223.48136
Standard Error	2725.602898	Standard Error	2063.878807
Median	135731.7	Median	23130.5
Mode	#N/A	Mode	#N/A
Standard Deviation	20935.75311	Standard Deviation	15852.95393

Sample Variance	438305758.3	Sample Variance	251316148.2
	-		-
Kurtosis	0.344236006	Kurtosis	0.707811138
	-		-
Skewness	0.545410944	Skewness	0.525238693
Range	79502.1	Range	57493
Minimum	89277.4	Minimum	3816.6
Maximum	168779.5	Maximum	61309.6
Sum	7879396.11	Sum	1488185.4
Count	59	Count	59

t-Test: Two-Sample Assuming Unequal Variances

H (0) : There is no significance relationship between the gold prices and bit coin value in India

H (1) : There is a relationship between the gold prices and bit coin value in India

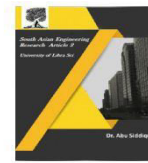
	91392.22	3437.2
Mean	133549.0866	25223.48136
Variance	438305758.3	251316148.2
Observations	59	59
Hypothesized Mean Difference	0	
Df	108	
t Stat	31.68484637	
P(T<=t) one-tail	8.34964E-57	
t Critical one-tail	1.659085144	
P(T<=t) two-tail	1.66993E-56	
t Critical two-tail	1.982173424	

Interpretation:

From the above analysis it is find that since T calculated values is 8.349 which is greater than the table value 1.659 so reject the null hypothesis and accept the alternative hypothesis which means there is a relationship between the Bit coin value and Gold prices of India

Findings

- From the it is found that the correlation value in between the bit coin value and the gold prices is 0.502718418 which means there is a positive relationship between them
- From the study it is found that the calculated value of T test is 8.349 which is more than the table value 1.659 so rejected the null hypothesis and accepted the alternative



hypothesis which means there is a relationship between them

is a relationship between the Bit coin and the gold price

Suggestion:

It is suggested to the investors they need to invest in the gold rather than bitcoins value because it is having heavy risk to invest in the bitcoin

Conclusion

the study is based on the relationship between the Bit coin value and gold prices of India the study is based on the explorative research method has been used for the study the data collected from the secondary sources and the study used the statistical tool like T test and Descriptive tools were used and it is find that there is correlation between the Bit coin value and gold prices in India it is suggested to the investors they need to invest in the gold rather than the bit coin for their investment options and the study is concluded that there

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