

## Bitcoin and co – bubble or boon?

**Level:** Upper-intermediate +

**Time:** 90 minutes +

**Summary:** This lesson is about bitcoin and other cryptocurrencies. In this lesson, students:

1. discover the current value of bitcoin;
2. study an article about the fluctuation in the values of cryptocurrencies, the reasons why governments may be worried about them and why certain individuals, as well as countries, might find them interesting;
3. describe the changing value of bitcoin using words and expressions that describe trends;
4. share their views on cryptocurrencies and talk about their experiences of international money transfers and their preferred methods of payment.

**Materials:** One copy of the worksheet per student

**Group size:** Any

**Note:** This lesson plan is for both pre-experience and in-work business students based on an original article first published in *Business Spotlight* issue 2/2018.

### Warmer

Elicit what bitcoin is (a virtual currency created for use in online transactions). Then, hand out the worksheet. Decide which currency you want to compare bitcoin to – e.g. euro, US dollar or British pound – and make sure the students all use the same one for their estimates. Even if they have no idea about the value of bitcoin, make sure they all guess its value against a currency they know well. After estimating, have students check the exchange rate online, looking at the current rate and also the rate over the past month to see whether bitcoin is currently increasing or decreasing in value.

### Key words

Students read the definitions, then find words in the article that match them. The paragraph numbers are given to help them. After finding the words, the students read the article and note how they are used in context.

**Key:**

1. boon
2. cryptocurrencies
3. wary
4. altcoins
5. bubble
6. issue
7. assets
8. debase
9. blockchain
10. ledger

### Understanding the article

In pairs, students answer the questions.

**Key:**

1. *The decentralized, anonymous, computer-based record ('ledger') of all transactions – known as blockchain – could revolutionize banking by reducing the costs of transferring money (or other data) around the world.*
2. *In countries where there is hyperinflation, cryptocurrencies could become widely used as a more stable alternative. This is highly unlikely, however, in low-inflation countries such as the US, Germany or Switzerland, where trust in the currency is strong.*
3. *since 2009*
4. *altcoins, including dash, ethereum and ripple (XRP); Their values have all fallen greatly.*
5. *They worry that they are being used to finance illegal activities such as drug dealing and terrorism, or that they are being used as a means of tax avoidance.*

### Describing trends

In the article, students underline the words and expressions used to describe trends. Then, they use them and any other useful trend terms they know to describe the chart in part b.

**Key:**

- soared  
slumped  
plummeted  
fallen significantly  
stable

### Discussion 1 – bitcoin

In groups, students discuss their answers to the two questions asked in the article.

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### Discussion 2 – payments and transfers

In this more open discussion task, students talk about their experiences of transferring money to other countries, as well as their preferred methods of payments for various everyday items.

### Related topics on onestopenglish

This is a lesson plan by Macmillan Dictionary *BuzzWord* author Kerry Maxwell on the word *bitcoin*.

[www.onestopenglish.com/skills/vocabulary/macmillan-dictionary-resources/macmillan-dictionary-buzzword/macmillan-dictionary-buzzword-bitcoin/552832.article](http://www.onestopenglish.com/skills/vocabulary/macmillan-dictionary-resources/macmillan-dictionary-buzzword/macmillan-dictionary-buzzword-bitcoin/552832.article)

The following Business Spotlight lesson plan asks whether we should abolish cash altogether.

[www.onestopenglish.com/business/business-spotlight/should-we-abolish-cash/555255.article](http://www.onestopenglish.com/business/business-spotlight/should-we-abolish-cash/555255.article)

## Bitcoin and co – bubble or boon?

### 1 Warmer

a. Write how much you think one bitcoin is currently worth.

1 bitcoin = \_\_\_\_\_

b. Check the rate online. How close was your estimate? Is a bitcoin worth more or less than it was one month ago?

### 2 Key words

Find words in the article that match the definitions below.

1. something useful that brings great benefits or makes your life easier \_\_\_\_\_ (title)
2. digital money that is validated by codes, which put information on a website into a form that can only be read by users with permission \_\_\_\_\_ (introduction and para 1)
3. careful or nervous about someone or something because you think they might cause a problem \_\_\_\_\_ (para 1)
4. any cryptocurrency that is not a bitcoin \_\_\_\_\_ (para 3)
5. a good situation that is unlikely to last \_\_\_\_\_ (para 4)
6. a question that needs to be addressed \_\_\_\_\_ (para 6)
7. valuable things such as money or property that people own \_\_\_\_\_ (para 6)
8. reduce the value of something \_\_\_\_\_ (para 7)
9. a public record of transactions made in bitcoin or another cryptocurrency in chronological order \_\_\_\_\_ (para 8)
10. the financial records of a business \_\_\_\_\_ (para 8)

## Bitcoin and co – bubble or boon?

### Bitcoin and co – bubble or boon?

by Ian McMaster



**Are cryptocurrencies such as bitcoin and altcoins serious forms of payment or purely useful for speculation purposes? IAN MCMASTER explains what all the fuss is about.**

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- 1 At the start of 2018, a friend asked me a simple question: “What do you think of bitcoin and other cryptocurrencies?” I assumed I was being asked for investment advice and so I said: “They’re interesting but I’d be very wary.”
- 2 If you had invested in bitcoins early enough, you could now be a multimillionaire. When this privately created and administered digital cash started back in 2009 – as a reaction against the control of money by governments and banks – one bitcoin was worth virtually nothing. Just before Christmas 2017, its price had soared to nearly \$20,000 (€16,000).
- 3 At the time I was asked for advice, on 2 January, 2018, the bitcoin price had slumped to around \$16,000. By the start of February, it had plummeted further, to under \$6,000 at one point. Most other cryptocurrencies – and there are more than 1,000 such “altcoins”, including dash, ethereum and ripple (XRP) – have also fallen significantly. I hope my friend didn’t put all her money into them or she will have had massive short-term losses.
- 4 Nobody knows where the prices of cryptocurrencies will end up in the longer term. Perhaps we will look back and think the current prices were cheap. On the other hand, the bubble could easily burst completely, particularly if governments around the world regulate or ban trading in cryptocurrencies.
- 5 The name “cryptocurrency” is interesting. “Crypto” means “hidden” or “secret”, and one motivation behind such currencies is to protect the anonymity of those trading in them. Governments therefore worry about cryptocurrencies being used to finance illegal activities, such as drug dealing or terrorism, or as a way of avoiding taxes.

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The other issue is whether cryptocurrencies are really currencies at all. Many experts see them as (speculative) assets, as they typically don’t fulfil the basic functions of money: being a “unit of account” (a measure of the prices of goods and services), a “medium of exchange” (a generally accepted form of payment) and a stable “store of value” over time.

In countries whose governments often debase the national currency through hyperinflation, cryptocurrencies could become widely used as a more stable alternative. This is highly unlikely, however, in low-inflation countries such as the US, Germany or Switzerland, where trust in the currency is strong.

The “blockchain” technology behind cryptocurrencies is likely to be of more lasting significance. This decentralized, anonymous, computer-based record (“ledger”) of all transactions could revolutionize banking by reducing the costs of transferring money (or other data) around the world. This explains why banks and governments are looking into using the technology.

Finally, here’s a test of whether you are a true believer in bitcoin and co. Would you like to be paid in a cryptocurrency rather than in dollars, euros, Swiss francs or pounds? If not, why not?

IAN MCMASTER is editor-in-chief of Business Spotlight. Read his weekly blog on global business at [www.business-spotlight.de/blogs](http://www.business-spotlight.de/blogs).

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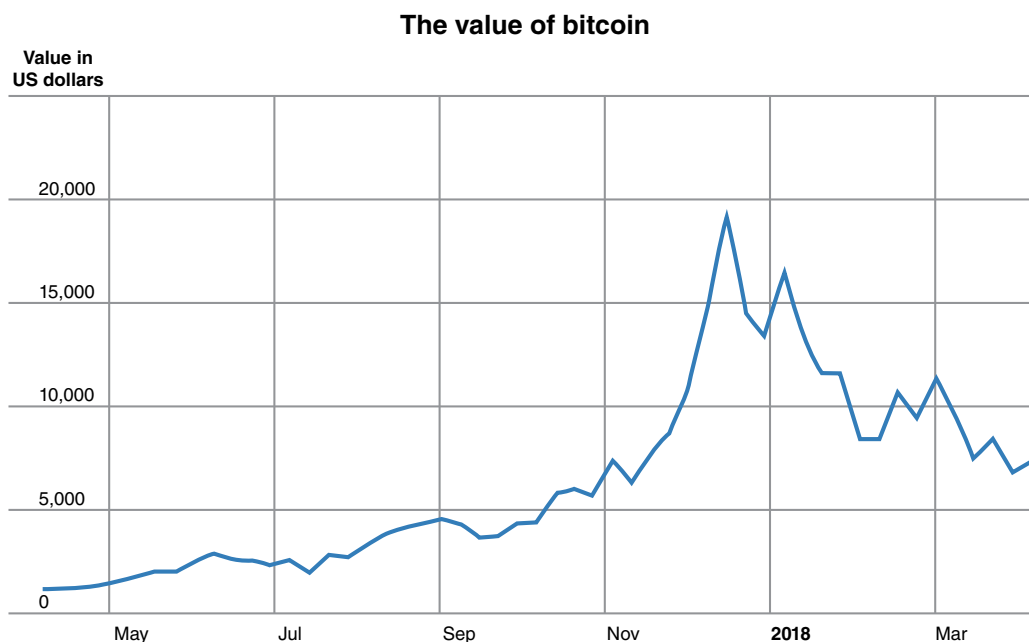
### 3 Understanding the article

Answer the questions using information from the article.

1. Which aspect of cryptocurrencies does the author say is of great interest to the international banking industry? Why?
2. How might inflation rates affect the popularity of cryptocurrencies?
3. How long has bitcoin been available?
4. What other cryptocurrencies are mentioned and what do they all have in common?
5. Why are governments wary of cryptocurrencies?

### 4 Describing trends

- a. Underline all the words and expressions in the article that are used to talk about trends and could be used to describe a chart.
- b. Now, use the language from task a and any other terms you know to describe the bitcoin value chart.



## Bitcoin and co – bubble or boon?

### 5 Discussion 1 – bitcoin

Answer the two questions from the article.

- Would you like to be paid in a cryptocurrency rather than in dollars, euros, Swiss francs or pounds? If not, why not?
- What do you think of bitcoin and other cryptocurrencies?

### 6 Discussion 2 – payments and transfers

1. Have you ever transferred money to another country? If so:

- how did you do it?
- what charges were involved?
- how easy or complicated was it?

2. What method of payment do you use for:

- your gas and electricity bills?
- your phone and internet contracts?
- your weekly food shop?
- your holidays?
- your rent or mortgage?
- online purchases?
- a cup of coffee?

3. Are there any forms of payment you would *not* use to pay for any of the things in question 2? If so, which ones and why wouldn't you use them?