Name ______________________________

Cryptocurrency as an Investment: A Magical Adventure or a Risky Journey?

Multiple Choice Questions

1. What is cryptocurrency?

a) A type of physical currency

b) A digital or virtual currency that uses cryptography for security

c) A government-controlled currency

d) A form of traditional banking

2. Why do some investors find cryptocurrency appealing?

a) Because it offers guaranteed returns

b) Due to its centralized nature

c) For its potential for high returns and decentralization

d) Because it is regulated like traditional assets

3. What is a significant risk associated with cryptocurrency investments?

a) Predictable price fluctuations

b) Lack of regulation

c) Low potential for returns

d) Guaranteed security

4. Why is it important for investors to educate themselves before investing in cryptocurrencies?

a) Because there are no risks involved

b) Because the government regulates cryptocurrency investments

c) Because cryptocurrency investments are always safe

d) Because understanding the technology and risks is crucial

5. What should investors consider when deciding whether to invest in cryptocurrencies?

a) Their risk tolerance, level of understanding, and financial goals

b) Short-term gains only

c) Lack of diversification

d) The need for government oversight