

A BEGINNER'S GUIDE TO CRYPTO AND DEFI

Cryptocurrency and decentralized finance (DeFi) are both related to the use of blockchain technology, but they have some key differences.

Cryptocurrency is a digital or virtual currency that uses cryptography for security and is decentralized, meaning it is not controlled by any central authority. Bitcoin is the most well-known cryptocurrency, but there are many others, such as Ethereum, Litecoin, and Dogecoin. Cryptocurrencies are often used as a means of exchange or as a store of value. DeFi, on the other hand, refers to financial applications and services that are built on blockchain technology and are designed to be open and accessible to anyone with an internet connection. These services can include things like lending, borrowing, trading, and payment processing. DeFi aims to create a more open, transparent, and accessible financial system by using smart contracts and decentralized protocols to automate financial transactions.

One key difference between DeFi and cryptocurrency is that DeFi is focused on creating new financial products and services, while cryptocurrency is primarily used as a means of exchange or store of value. Another difference is that DeFi often uses smart contracts to automate financial transactions, while cryptocurrency transactions are typically recorded on a public ledger without the use of smart contracts.

Despite these differences, DeFi and cryptocurrency share some key

similarities. Both rely on blockchain technology to secure and record transactions, and both aim to create more open and accessible financial systems. Additionally, both DeFi and cryptocurrency are highly volatile and can be subject to speculation and speculation-driven price swings.

Overall, while DeFi and cryptocurrency have some differences, they both represent important developments in the use of blockchain technology for financial applications and services.