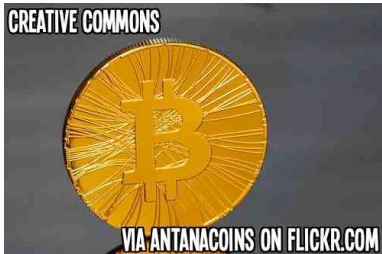


## Half-a-billion dollars of bitcoins disappear

4th March, 2014



Almost \$500 million of bitcoins disappeared from a company in Japan. The company is called Mt. Gox and it was one of the world's biggest dealers in bitcoins.

It shut down last week after it lost 850,000 bitcoins, worth \$473 million. The company's CEO said hackers stole the digital currency. He apologised to investors on Thursday at Japan's Ministry of Justice. Thousands of investors are angry because they lost the money they invested in Mt. Gox. Bitcoin is a virtual currency – it only exists online for electronic payments. Anyone can buy and use bitcoins. There is no need to open a bank account. Many people believe that bitcoins will replace paper money, coins and credit cards.

The collapse of Mt. Gox did not surprise online finance experts. Many said it was an accident waiting to happen. They also said Bitcoin will recover from the Mt. Gox shock. There are no rules or laws to control Bitcoin so the collapse of Mt. Gox could mean a better system will come. Companies will now make their security tighter and governments might create laws to make Bitcoin safer. Barry Silbert, CEO of Bitcoin company SecondMarket, says the currency will bounce back. He told reporters: "If you look at the short history of Bitcoin, there has been a series of bubbles, busts, hacks and thefts. After every single event, Bitcoin has emerged stronger."

Sources: *Wall Street Journal* / *Washington Post* / *Wikipedia*

### Writing

*Digital money is better than paper money and coins. Discuss.*

### Chat

Talk about these words from the article.

*bitcoins / disappeared / shut down / hackers / digital currency / electronic payments / online / experts / rules / system / safer / history / bubbles / thefts / stronger*

### True / False

- Someone left almost \$500 million of bitcoins on a train in Japan. T / F
- The Bitcoin company Mt. Gox was the world's largest financial firm. T / F
- The company CEO blamed the disappearance on hackers. T / F
- The article said Bitcoins would replace cash before 2020. T / F
- The collapse of Mt. Gox did not surprise many experts. T / F
- There are no laws that control how people buy and sell Bitcoin. T / F
- A company CEO said it would be impossible for Bitcoin to bounce back. T / F
- Hacking and thefts have always made Bitcoin stronger. T / F

### Synonym Match

- |                |                   |
|----------------|-------------------|
| 1. disappeared | a. said sorry     |
| 2. dealers     | b. get stronger   |
| 3. apologised  | c. return         |
| 4. angry       | d. fall           |
| 5. replace     | e. went missing   |
| 6. collapse    | f. furious        |
| 7. recover     | g. tougher        |
| 8. tighter     | h. traders        |
| 9. bounce back | i. happening      |
| 10. event      | j. take over from |

### Discussion – Student A

- What things are safe to invest in?
- Who will, or who should, make the rules for Bitcoin?
- Are you happy with security on the Internet?
- Is digital money more convenient than paper money and coins?
- Is it better for Bitcoin to replace all the world's currencies?
- What would you like to know about Bitcoin?
- What problems are there with money?
- What would you like to ask the boss of a Bitcoin company?

## Phrase Match

- |  |                         |
|--|-------------------------|
| 1. \$500 million of bitcoins disappeared | a. tighter              |
| 2. It shut                               | b. the digital currency |
| 3. The company's CEO said hackers stole  | c. money                |
| 4. virtual                               | d. down last week       |
| 5. paper                                 | e. hacks and thefts     |
| 6. Bitcoin will recover from             | f. from a company       |
| 7. make their security                   | g. has emerged stronger |
| 8. the currency will bounce              | h. the Mt. Gox shock    |
| 9. a series of bubbles, busts,           | i. currency             |
| 10. After every single event, Bitcoin    | j. back                 |

## Discussion – Student B

- What do you know about bitcoins?
- How can half-a-billion dollars just disappear?
- Should the CEO of the Bitcoin company go to jail?
- Do you worry about using money online for shopping?
- Is your money safer in your pocket, in a bank, or online?
- Have you ever lost any money?
- Have you ever invested in something?
- Would you be sad if a digital currency replaced paper money?

## Spelling

- bitcoins aidepdpsera from a company in Japan
- Thousands of tossvneir are angry
- Bitcoin is a virtual nyucrcer
- tcreolinc payments
- There is no need to open a bank cnatuoc
- bitcoins will calepre paper money
- surprise online iefnacn experts
- an naidtce waiting to happen
- a better mystes will come
- make their itysrcue tighter
- rectea laws to make Bitcoin safer
- a essrej of bubbles, busts, hacks and thefts

### Answers – Synonym Match

|      |      |      |      |       |
|------|------|------|------|-------|
| 1. e | 2. h | 3. a | 4. f | 5. j  |
| 6. d | 7. b | 8. g | 9. c | 10. i |

## Role Play

### Role A – Bitcoin

You think Bitcoin is the best form of money. Tell the others three reasons why. Tell them things that are wrong with their things. Also, tell the others which is the worst of these (and why): credit cards, cash or gold.

### Role B – Credit cards

You think credit cards are the best form of money. Tell the others three reasons why. Tell them things that are wrong with their things. Also, tell the others which is the worst of these (and why): Bitcoin, cash or gold.

### Role C – Cash

You think cash is the best form of money. Tell the others three reasons why. Tell them things that are wrong with their things. Also, tell the others which is the worst of these (and why): credit cards, Bitcoin or gold.

### Role D – Gold

You think gold is the best form of money. Tell the others three reasons why. Tell them things that are wrong with their things. Also, tell the others which is the worst of these (and why): credit cards, cash or Bitcoin.

## Speaking - Money

Rank these with your partner. Put the safest at the top. Change partners often and share your rankings.

- |                     |                    |
|---------------------|--------------------|
| • bitcoins          | • PayPal           |
| • credit cards      | • government bonds |
| • banknotes / coins | • gold             |
| • cheques / checks  | • other _____      |

### Answers – True False

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| a | F | b | F | c | T | d | F | e | T | f | T | g | F | h | T |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Answers to Phrase Match and Spelling are in the text.