

What about Bitcoin and Other Assets Valuation

John E Sherman

December 6, 2022

Abstract

We all believe Bitcoin (BTC) has some store, investment, or market value; but does it? These thought apply to other assets also—stocks, metals, and other personal held physical assets. Absent BTC held and traded on a crypto exchange—where is BTC currency valuation discovered? Is valuation of BTC available from within the private wallet? Let us review and think about how BTC valuation is accomplished—between buyers and sellers at a bartered or agreed price linked to a countries currency.

Contents

1	What gives perceived asset valuation	2
1.1	If I hide my coins	2
1.2	Now comes decision time	2
1.3	If HODLs	3
1.4	Conclusion	4

1 What gives perceived asset valuation

2 When metals- or crypto- or other physical- a s s e t s are placed within
3 public view; as a result, persons are allowed to determine their personal
4 valuation or asset worth; therefore, items are validated to others that item
5 has value as described and connected to a country currency or barter
6 e x c h a n g e (OXFORD DICTIONARY OF ENGLISH, UNIVERSITY PRESS
7 2010, 2017 “an act of giving one thing and receiving another . . . in
8 return:”)—this we will refer to as an “e x c h a n g e”.

9 1.1 If I hide my coins

10 If I “HODL” (What Does HODL Mean? HOW A TYPO BECAME A
11 CRYPTO MEME, <https://tinyurl.com/2p9xywpa> (last visited Dec 6,
12 2022) *see also*, HODL Corporate Finance Institute,
13 <https://tinyurl.com/3kxrtr2t> (last visited Dec 6, 2022)) my a s s e t s
14 by hiding them from public e x c h a n g e: it follows, only I can determine
15 a s s e t valuation to myself because no person is allowed to argue my
16 perceived valuation. So what if what I H O D L has no public value
17 discovery?

18 1.2 Now comes decision time

19 Should I H O D L my a s s e t s or place them into a public traded
20 e x c h a n g e? That is a decision with elements of risk: for example,
21 placing assets into an e x c h a n g e allows others to manage or take
22 ownership of your asset where is no longer yours.(banks have insurance for
23 your losses, *see generally*, WHAT HAPPENS TO MY FUNDS IF A CRYPTO
24 EXCHANGE COLLAPSES? Fortune, <https://tinyurl.com/bdcd3hfm> (last
25 visited Dec 6, 2022)

26 **1.3 What if everyone H O D L s their assets?**

27 Lets take a theoretical example: Bitcoin (BTC) crypto asset

28 Mises' teacher, Carl Menger, demonstrated that money itself
29 originates from the market—not from the State and not from
30 social contract. It emerges gradually as monetary entrepreneurs
31 seek out an ideal form of commodity for indirect exchange.
32 Instead of merely bartering with each other, people acquire a
33 good not to consume, but to trade. That good becomes money,
34 the most marketable commodity.

35 *See*, WHAT GAVE BITCOIN ITS VALUE? — Jeffrey A. Tucker,
36 <https://tinyurl.com/49uymhje>, (last visited Dec 6, 2022)

37 Well, that sounds like we jumped ahead right into `e x c h a n g e s` where
38 people can validate and trade BTC assets. What would have happened if
39 all people's assets were mined then H O D Led? Maybe there would not
40 exist BTC today to be sold then H O D L. The Miners of BTC and other
41 physical assets will continue to place their work effort results on
42 `e x c h a n g e s` to receive customers validation and rewards and price
43 validation in prevailing country currency.

44 **KEY HIGHLIGHTS**

- 45 * When all Bitcoin have been mined, miner revenue will depend entirely
46 on transaction fees.
- 47 * The price and purchasing power of Bitcoin will adjust to the lack of
48 new supply.
- 49 * The scarcity of Bitcoin will make it more attractive to investors and
50 users.

51 *See*, WHAT WILL HAPPEN AFTER ALL BITCOIN ARE MINED? — River
52 Financial, <https://tinyurl.com/yfwneau5> (last visited Dec 6, 2022)

53 **1.4 Summary thoughts**

54 If all BTC is mined to extinction and maybe the blockchain maintainer will
55 determine transaction fees in future based upon computer hardware costs
56 and energy consumed to maintain transaction blockchain?

57 I am still attempting to understand the r o o t or most basic foundational
58 value of **BTC** as people H O D L their assets off-line?

59 ///