

**Dr.SNS RAJALAKSHMI COLLEGE OF ARTS AND SCIENCE  
(Autonomous)**

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Coimbatore- 49**

**DEPARTMENT OF COMMERCE WITH INFORMATION  
TECHNOLOGY**

**21UCI505 – BLOCKCHAIN AND DISTRIBUTIVE  
LEDGER**

**Unit-1: Guide for Beginners Securely Managing &  
Storing Digital Currencies**

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# 1. Understanding Digital Currencies

- ❖ Digital currencies (or cryptocurrencies) are virtual assets you store electronically.
- ❖ Unlike traditional money, they are decentralized
- ❖ Operate on blockchain technology
- ❖ Require personal responsibility for storage and security
- ❖ If you lose access to your wallet or recovery keys, no bank can restore them. So security is your top priority.



## 2. How to Store Digital Currencies

### A. Hot Wallets (Online Wallets)

These stay connected to the internet. They are **easy to use**, suitable for beginners and small amounts. **Examples:** Trust Wallet, MetaMask, Coinbase Wallet

### B. Cold Wallets (Offline Wallets)

These store your crypto offline. They are **the safest option** for long-term or large holdings.

**Examples:** Ledger, Trezor

### C. Exchange Wallets

Wallets provided by crypto exchanges like Binance, Coinbase or WazirX.



### Step 1: Choose the Right Wallet

- For small amounts → **Hot Wallet** (Trust Wallet / MetaMask)
- For serious investment → **Cold Wallet** (Ledger / Trezor)
- For trading → Exchange wallet (but don't store long-term)

### Step 2: Download From Official Sources

- Use **Google Play / App Store ONLY**
- Never click wallet download links from messages, ads or email

### Step 3: Create Your Wallet

- When you create a wallet, you will receive:
- 12- or 24-word Seed Phrase

This is your master key. Anyone who has it can access your wallet.

## Step 4: Secure Your Seed Phrase

### Do:

- ✓ Write on paper
- ✓ Store in 2–3 different safe places
- ✓ Use a metal backup plate for long-term storage (optional)

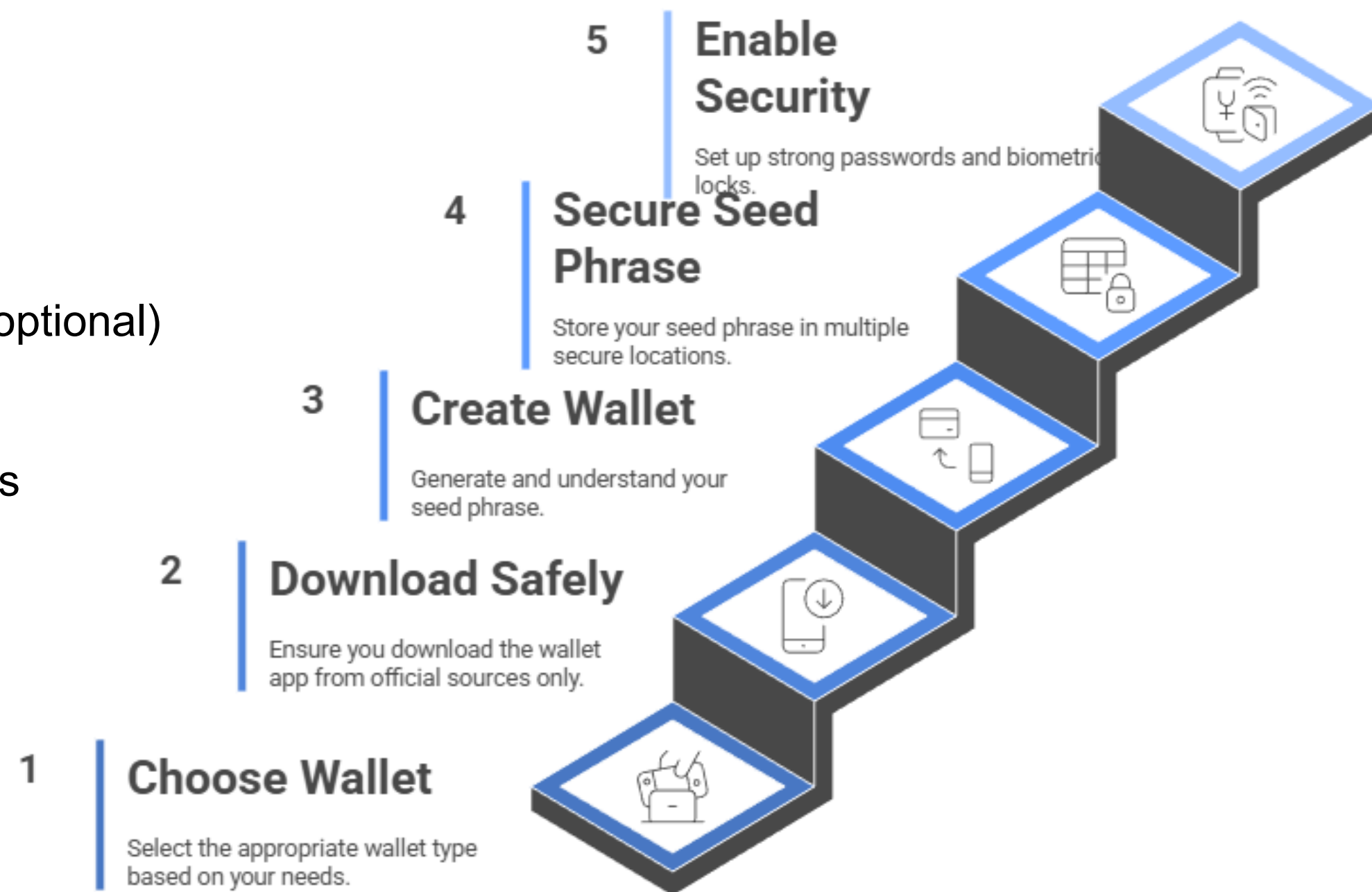
### Don't:

- ✗ Save on mobile, WhatsApp, email, or screenshots
- ✗ Photograph it
- ✗ Share it with anyone

## Step 5: Enable Strong Wallet Security

Set a strong, unique password

- Enable **biometric lock** (fingerprint/face ID)
- Enable **2-Factor Authentication** (for exchange wallets)



## 4. How to Transfer and Receive Digital Currencies Safely

### A. ALWAYS VERIFY WALLET ADDRESS



- Copy-paste the address
- Double-check first 4 and last 4 characters
- For large amounts: test with a small transaction first

### B. CHOOSE THE CORRECT NETWORK



Ethereum  
(ERC-20)



Binance  
Smart Chain  
(BEP-20)

Tron  
(TRC-20)

Wrong network =  
funds may be lost.

### C. BE AWARE OF GAS FEES



Each network charges a fee.  
Ethereum is higher: BSC  
and Tron are cheaper.

# COMMON SCAMS



Fake websites pretending to be wallets or exchanges



Messages offering investment returns (“guaranteed profit”)



Fake customer support asking for your seed phrase



Telegram/WhatsApp groups promising quick money

**THANK YOU**