

Digital assets (NFT's: non fungible tokens): the new form ownership of assets and creating value

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ABSTRACT

The present paper involves the study and research on the new form of assets that people own and create value from through capital appreciation or through retail value hence the question arises how are people creating value from these assets and from where did this concept come from that the assets could also be owned in a digital form and be traded that means that people could hold millions of dollars in a pen drive's and also looking to the fact how these became advantageous and could it be taken as the new form of ownership

Keywords: Digital asset, capital appreciation, blockchains, non- fungible tokens.

INTRODUCTION

The concept of ownership is deeply human, the first thing that people owned were collectibles from beads to shells to animal products our ancestors loved to collect collectibles for identity and self- expression it would not be wrong to exclaim that these collectibles became the first form of the trade as there was the absence of the central bank who can dictate what is and isn't money people with the collective consensus of mind came together exchanged commodities and formed the bases for trade and thought what could be taken as an exchange that could be agreed by both the parties and be difficult to fake and then the collectibles became the part of the human manifestation and led to the one of the greatest inventions of humanity that is trade through the constant evolution and constant upgrade humans created many thing to own and trade for starting from giving knowledge that people own to starting of the printing press that started new spheres to the photography , movies , paintings and video games etc. and different thing to own to buy and sell in the trade and the ownership and commerce continued till the birth of the internet the next major evolution in the trade

The concept of the digital trade gave a new start to the market that exist on the cloud that where

consumers and sellers could communicate and enter into trade and offered various new platforms for commodities distribution and then came in the new revolution of the money that was the transferring of the money that is paid online through bank accounts without the need to exchange the tangible bills now we buy music and watch movies by paying online but that gave the birth to the new problem that was that people could buy the music or the MP4 and share it with every one online and it was concluded that the digital platform does not follow the rules of the physical world so then it was taken into account that digital assets need the same guarantee of pre-eminence and of openness that merit the physical world it was seen that through this combined guarantee of the ownership could the new financial system could be build and then came in the idea of the digital assets (the assets that are owned and have value online) but can we really conclude that these are the next generation of the asset ownership that we are going to witness the new form of the capital appreciation and so on and so forth

LITERATURE REVIEW

S.No	Authors	Year	Topic	Publication
2	Bohme, R.,Christen N , Edelman B , Moore T	2015	Bitcoin , economies , technology , governance in the Economies	Journal on Economic Perspective29(2) ,213-238
3	A. Perzumowski and J.shultz	2016	End of the ownership, Personal , property in the digital economy	Cambridge , Mass conclusion : published by MIT press

OBJECTIVES

Objectives of the proposed research paper

1. To understands how the digital markets works
2. Understanding the mechanisms of the digital assets
3. The testing of the hypothesis that owning digital assets could be the new form of ownership of an asset just like owning gold or personal property
4. To understand the implication that these digital economies bring and what could change through these assets
5. Understanding how it will impact the economies
6. How the digital assets are formed and sustained in the market and also how these will has become the new trend in the market
7. To understand the basic idea under which these assets are formed after the digitization of the money and the crypto currencies and bit coin taking a much larger pace in the economy
8. Also understanding the new hype and interest of the digital assets in the present market

NEED FOR THE STUDY

As concept of the block chains and cryptocurrencies have taken the interest of the many consumers then comes in the idea why only the money be digitized and decentralized just as the money in the form of bitcoin and cryptocurrencies why not the normal goods like paintings and digital art be also digitized and traded openly in the market and it led to the new revolution and now there are numerous digital assets existing in the market known as the NFTs (non –fungible tokens) the present study deals with how these digital assets work and how these came into beings and what could be expected next from this generation of the digital assets

HYPOTHESIS

H0: Digital assets are the new form of the ownership like personal property H1: digital assets could not be taken as the new form of the ownership in the economies

The explanation of the NFT machinery

Firstly to test our hypothesis we need to first understand the mechanism and the development of the NFTs as cryptocurrency is first digital asset that is mined and governed through the proof of work and the use of blockchain technology but if we take the technicality of the system outside the whole mechanism works on the basis of the shared truth and consensus of the various users hence it narrowed down to the path that why not the same mechanisms to be followed for the ownership of the other assets based on the simple formula of shared truth it gave the idea what other things could be build which were as trust worthy and guaranteed in the market of the digital world that not only the money the but the normal collectibles

Then after much of the after math on this it was concluded that although many digital assets existed in the market there was only one shared characteristics in them that was that they are all fungible that means that they are interchangeable like money does not matter which money bill you have what matters is how many you have this is true in every commodity of the digital asset be it bitcoin but this does not apply to the goods that we own in the physical world like our homes , art , collectibles , video games etc. that the thing we own and are attached to are all non-fungible is that they are not interchangeable it is unique and could not be changed hence the NFT with the use of the blockchain gives the right of the ownership of the assets to the different owners and ensures that credibility and identity to the owner of the content could be navigated to whatever is issued in the internet for the public domain .

NFTs are like a digital signature that concludes who owns the assets and it provides us with the authenticity of the form of content that we are seeing the NFTs are numerous codes that exists in the blockchains which holds information of the various owners of the asset , who sold the assets and who is in currently possession of it and this information is then encrypted and that ensures the authenticity and the scarcity of the NFTs so that is how you make your creation scarce and so it cannot be traded for other NFT cause that does not exist in the blockchain and every other NFT is unique in itself

And they are authentic certification started with the game crypto kitties and now is used for the arts, video games and sports memories

Reasons NFTs lack for them to be considered as the new form of the ownership:

1. Although the NFTs are taking a much larger pace in the economy it is one of the digital assets that has its own limitation
2. NFTs could be taken as the new form of the asset ownership existing online but it has major concerns that it could not guarantee that the person selling the NFT is the creator of the original piece this is particularly difficult in online market places
3. It is actually very difficult to find the ownership of the assets in the online media market and may be very hard to proof the assertion that someone is making about the ownership of the assets
4. The NFTs are really working as the hype in the market and many collectibles are now taken as an NFT it could be taken as the new form of ownership but only after the drawbacks have been rectified
5. The concept of the ownership is very important in the NFTs as that is what make it valuable and having problems in identifying the real creator may impact the distrust and fall in the NFT asset ownership
6. Some of the researchers also believe that this maybe the digital bubble in the making
7. Though the content creators can sell their work anywhere and can access the global markets they still need to rely on the distribution of the platforms they use and also are subjected to geographical restrictions
8. NFT are unique but the copy of the work could exist in the market and hence may drop the authenticity of the value being used

TESTING OF THE HYPOTHESIS

As evident from above it seems that there is huge level of consideration further needed and improvement in the digital assets to be remarked as the new form of the ownership of the assets and hence the “H1” that the digital assets could right now in the present economy be not taken as the new form of ownership of the assets and the NFTs has a long way of evolution to be taken as the certification of the ownership in the day to day lives of the people and maybe seen as the true form of owning content and creation in the times to come

CONCLUSION

As understood from the study that the NFTs as of now could not be ascertained as the new form of the asset ownership there is a lot more technological advancement needed to grow with the NFTs in the economies but it is the new concept that rectifies one of the major problems of trade in the digital economies that is the problem of ownership that the trends floating around be it media or images and files or art forms the source of the origin is difficult to ascertain and hence it can be taken as the beginning of the new era in the sphere of the ownership of the digital assets and content over the internet

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