

## **Final Project**

**“Awareness about Non-fungible tokens (NFT) as a marketplace ”**

**DMSR- G. S. College of Commerce & Economics, Nagpur**

Affiliated to

**Rashtrasant Tukadoji Maharaj Nagpur University**

**Nagpur**

In partial fulfilment for the award of the degree of

**Master of Business Administration**

Submitted by

**Mr. Prathamesh Milind Durge**

Under the Guidance of

**Dr. Archana Dadhe**

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**Department of Management Sciences and Research,  
G. S. College of Commerce & Economics, Nagpur  
NAAC Re-Accredited “A” Grade Autonomous Institution**



**Academic Year 2021-22**

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**Department of Management Sciences and Research,  
G. S. College of Commerce & Economics, Nagpur  
NAAC Re-Accredited "A" Grade Autonomous Institution**



**Academic Year 2021-22**

## CERTIFICATE

This is to certify that **Mr. Prathamesh Milind Durge** has submitted the project report titled “**Awareness about Non-fungible tokens (NFT) as a marketplace**”, towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**Dr. Archana Dadhe**  
(Project Guide)

**Dr. Sonali Gadekar**  
(Co-ordinator)

**Place: Nagpur**

**Date: 25/07/2022**

**Department of Management Sciences and Research,  
G. S. College of Commerce & Economics, Nagpur  
NAAC Re-Accredited “A” Grade Autonomous Institution**



**Academic Year 2021-22**

**DECLARATION**

I here-by declare that the project with title “**Awareness about Non-fungible tokens (NFT) as a marketplace**” has been completed by me in partial fulfillment of MASTER OF BUSINESS ADMINISTRATION degree examination as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: **Nagpur**

**Mr. Prathamesh Milind Durge**

Date: **25/07/2022**

**Department of Management Sciences and Research,  
G. S. College of Commerce & Economics, Nagpur  
NAAC Re-Accredited “A” Grade Autonomous Institution**



**Academic Year 2021-22**

**ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N.Y. Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Dr. Archana Dhade “Name” for his/her guideline throughout the project. I tender my sincere regards to Coordinator, Dr. Sonali Gadekar for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful. (mention the names with designatio

Place: **Nagpur**

**Mr. Prathamesh Milind Durge**

Date: **25/07/2022**



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## **Non-fungible tokens ( NFTs )**

Non-fungible tokens, commonly known as NFTs, are unique cryptographic tokens that exist on a blockchain and cannot be replicated—having a unique identification code and metadata.

NFTs function like communicators or information tokens, but unlike cryptocurrencies such as Bitcoin or Ethereum, NFTs are not mutually interchangeable and are not fungible. The advocate of NFTs claims that NFTs provide a public certificate of authenticity or proof of ownership, but the legal rights conveyed by an NFT can be uncertain. The request of an NFT, as defined by the blockchain, has no inherent legal meaning and does not provide other legal rights over its associated digital files.

In 2021, NFT sales volume nearly touched the \$25 billion mark. Large multinationals like Facebook and Nike along with many startups are betting on NFTs.

A Non-fungible Token (NFT) is basically a digital asset or can be called a cryptographic asset having a unique identification code and metadata which differentiate it from a fungible token. As with cryptocurrencies, they cannot be traded or exchanged at equivalent values. The difference between fungible tokens and cryptos is that

cryptos are exactly the same and, therefore, can be used for commercial transactions.

As a result of tokenizing tangible assets, a more efficient method of buying, selling, and trading them is developed, as well as a reduction in fraud. Furthermore, NFTs can be used to represent individuals' rights to property and identities.



## **Objectives of the Study**

- Objective of study is to create awareness about NFT within various groups of people.
- Collecting feedback from individuals and creating analytics on the basis of data.
- Providing detailed knowledge related to NFT and its working process.
- To analyse the data from consumers with the help of graphs and pie chart

## **Relevance of Study**

- Most of the people are unaware about NFT as a investment opportunity in the world of digital market.
- There are specific group of people in the world who invest in NFT as it depends upon block chain.

## **Need of the Study**

- Nearly 90% of people are prefer to invest in share market as compare to NFT, therefore awareness should be created regarding NFT .
- NFT also gives high return as compared to any other market as it is depends upon relevance of blockchain and Web3 world

## **Ethereum**

Ethereum is a decentralized, open-source blockchain with smart contract functionality. Ether (ETH or  $\Xi$ ) is the native cryptocurrency of the platform. Among cryptocurrencies, Ether is second only to Bitcoin in market capitalization.

Ethereum was conceived in 2013 by programmer Vitalik Buterin. Additional founders of Ethereum included Gavin Wood, Charles Hoskinson, Anthony Di Iorio and Joseph Lubin. In 2014, development work began and was crowdfunded, and the network went live on 30 July 2015.

Ethereum also allows users to create and exchange NFTs, which are unique tokens representing ownership of an associated asset or privilege, as recognized by any number of institutions. Additionally, many other cryptocurrencies utilize the ERC-20 token standard on top of the Ethereum blockchain and have utilized the platform for initial coin offerings.

A series of upgrades called Ethereum 2.0 includes a transition to proof of stake and aims to increase transaction throughput by using sharding.

## **Ether**

Ether (ETH) is the cryptocurrency generated by the Ethereum protocol as a reward to miners in a proof-of-work system for adding blocks to the blockchain. It is the only currency accepted to pay for

transaction fees, which also go to miners. The block-addition reward together with the transaction fees provide the incentive to miners to keep the blockchain growing (i.e. to keep processing new transactions). Therefore, ETH is fundamental to the operation of the network. Each Ethereum account has an ETH balance and may send ETH to any other account. The smallest subunit of ETH is known as a Wei, named after cryptocurrency pioneer [Wei Dai](#), and is equal to  $10^{-18}$  ETH.

Ether is often erroneously referred to as "Ethereum".

Ether is listed on exchanges under the currency code ETH. The Greek uppercase [Xi](#) character ( $\Xi$ ) is sometimes used for its currency symbol.

The shift to Ethereum 2.0 may reduce the issuance rate of Ether. There is currently no implemented hard cap on the total supply of Ether.

## **Metaverse**

“The term Metaverse is used to describe a combination of the [virtual reality](#) and [mixed reality](#) worlds accessed through a browser or headset, which allows people to have real time interactions and experiences across distance.

“Right now, what will become the Metaverse is actually a series of disconnected metaverses, like the ‘walled gardens’ of the early internet [darpa.net, bit.net, or aol.net] that eventually came together to form the internet as we know it today. The current set of metaverse

worlds each has its own access, avatars, interactions, and currency. [Fortnite](#), for example, is separate from [Roblox](#), which is separate from Decentraland and others.

## **Fueling metaverse through NFTs**

NFTs serve a key concept in the metaverse ecosystem, allowing people to own virtual goods in the form of real-estate, items like cars, boats or even accessories and paintings—all possible through NFTs. NFTs are built on blockchain technology that gives rightful ownership to the NFT holders. So for instance, if you own a land in the metaverse (which is quite possible), you get an NFT as deed to the virtual property. This means you are the rightful owner and only you have exclusive access to enter the location in metaverse alongside allowing access to others. NFT-controlled access could also help in ensuring VIP access to the events in metaverse.

Further, NFTs serve a useful role in airdropping branded merchandise to followers as well have their metaverse avatars only owned by them. Users can create a metaverse agnostic avatar minted on blockchain, that can be moved from one metaverse to another. It should be noted that since NFTs are immutable, it is only owned by you and nobody else can duplicate, edit your customised NFT based avatar. So, it is quite clear that the metaverse and NFTs are made for each other.

## **PROCESS TO SET ETHEREUM WALLET**

There is a range of blockchains that are becoming increasingly popular, including:

- Ethereum
- Binance Smart Chain
- Flow by Dapper Labs
- Tron
- EOS
- Polkadot etc.

[Ethereum](#) is currently the leading blockchain service for NFT issuance. Some of the most popular and innovative NFT projects such as [VeeFriends](#), [Cryptopunks](#), [BAYC](#) and [Beeple](#) are on the Ethereum blockchain.

### **Step 1 — Set up Your Crypto Wallet**

Cryptocurrency wallets are similar to bank accounts in the traditional banking system. They are used to communicate with blockchain networks to safely access, send and receive crypto funds (i.e. Bitcoin, Ether etc.) or assets (such as NFTs). There are two types of crypto wallets — custodial and non-custodial.

#### **Custodial Wallets**

Custodial wallets are online marketplaces where you can buy, sell and store a variety of cryptocurrencies. Many people make their first

crypto purchases on these centralized exchanges, such as Coinbase or Binance, where you can easily trade coins. I started my crypto journey in 2017 when I was in Australia, so I use BTC Markets.

Using custodial wallets is as simple as signing up for a Google Pay account with your email address, verifying your identity with a photo ID, choosing a strong password and linking your credit card or bank account to start buying. However, for now, if you want to be able to purchase NFTs, you'll need to have what is called a non-custodial wallet.

### **Non-Custodial Wallets**

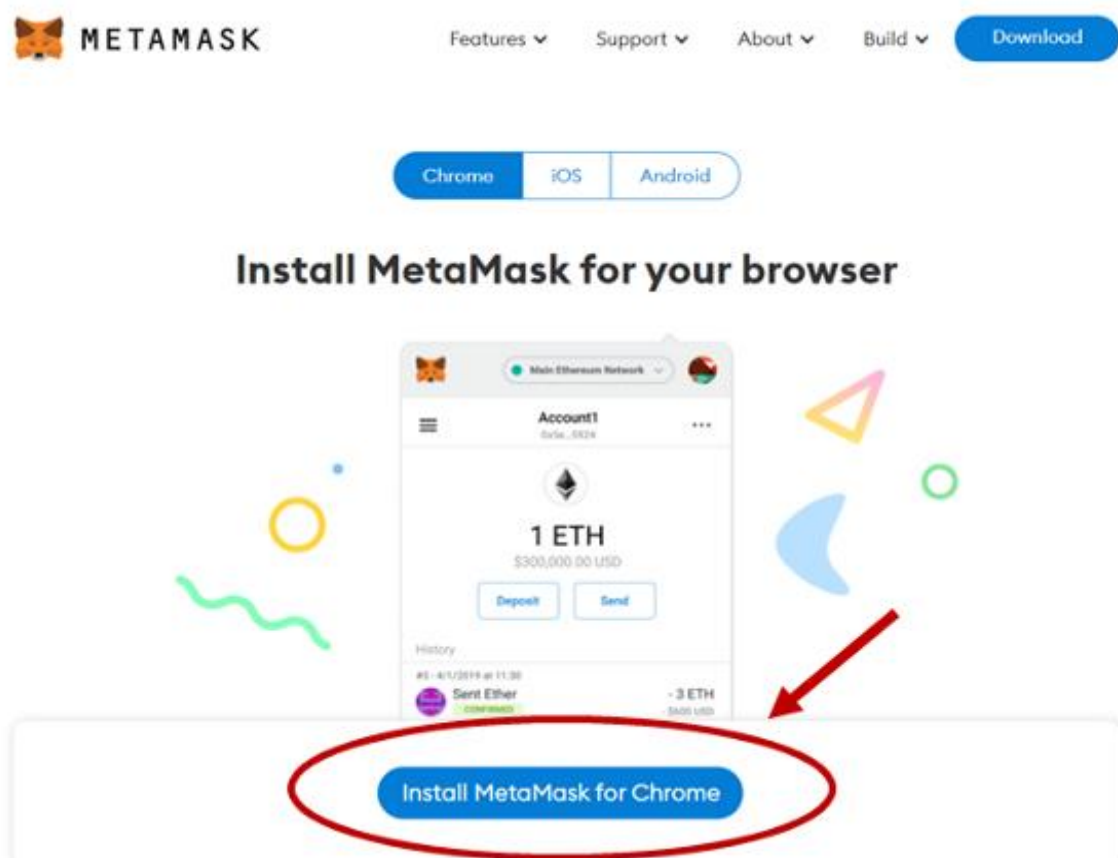
Non-custodial wallets give full control over your crypto assets rather than a third party such as Coinbase. You can easily transfer your coins from a custodial wallet to a non-custodial wallet. So, if you have a Coinbase account and you have purchased Ether, you can transfer it to your non-custodial wallet.

You can read about them in more detail here, but for now, let's just say that you need a non-custodial wallet to buy NFTs. The most popular and easy to use wallet is **MetaMask**.

## Setting up a MetaMask Wallet

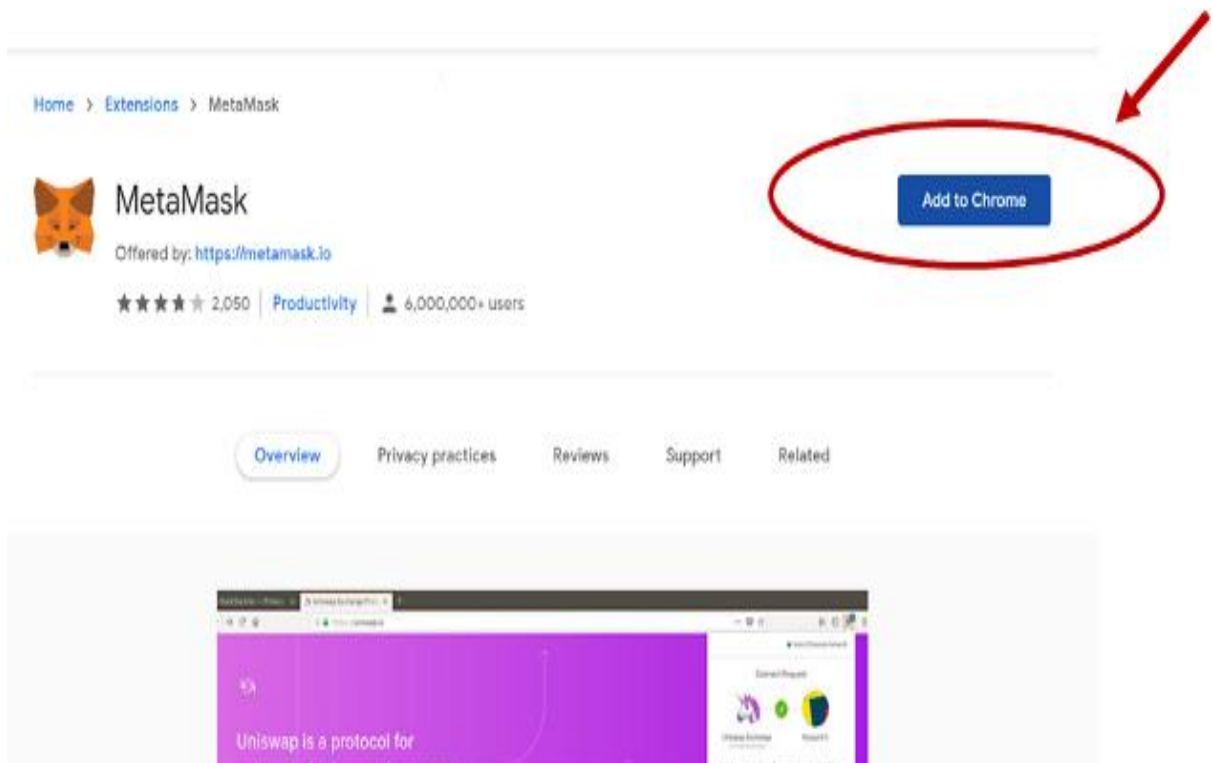
You will need to download a Chrome Extension for MetaMask. Google MetaMask or use the link to download and install it.

1. Click on **Install MetaMask for Chrome** to start the installation.

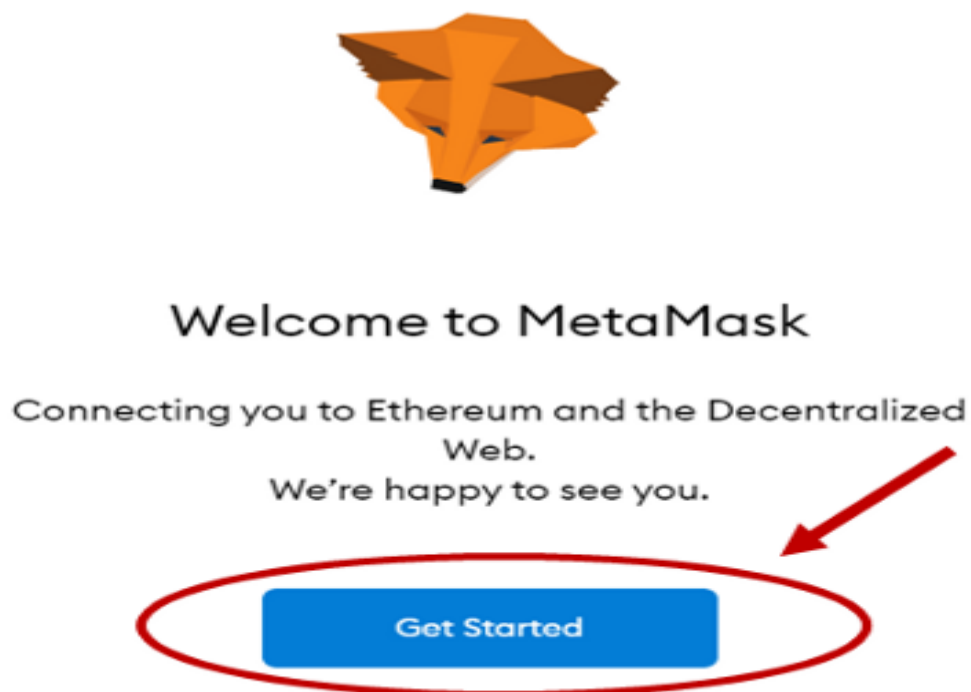




## 2. Add MetaMask to your Chrome extensions



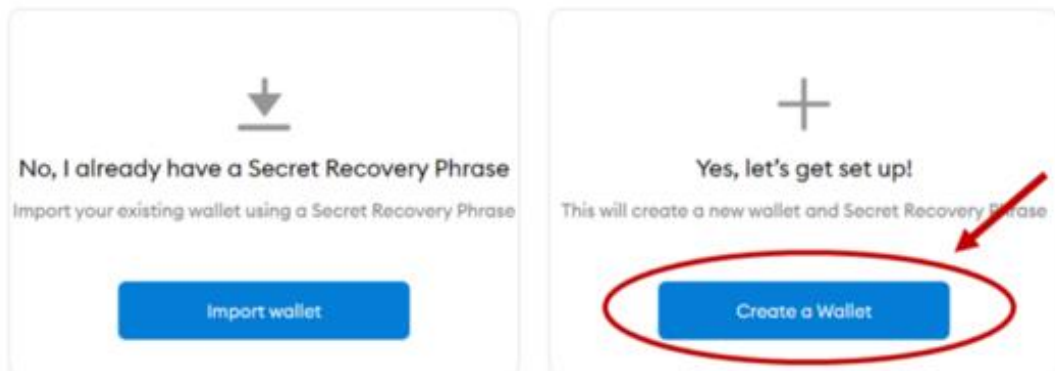
## 3. Click on Get Started



#### 4. Click on **Create a Wallet**



New to MetaMask?



#### 5. Follow the prompts and **Create Password**



< Back

### Create Password

New password (min 8 chars)

Confirm password



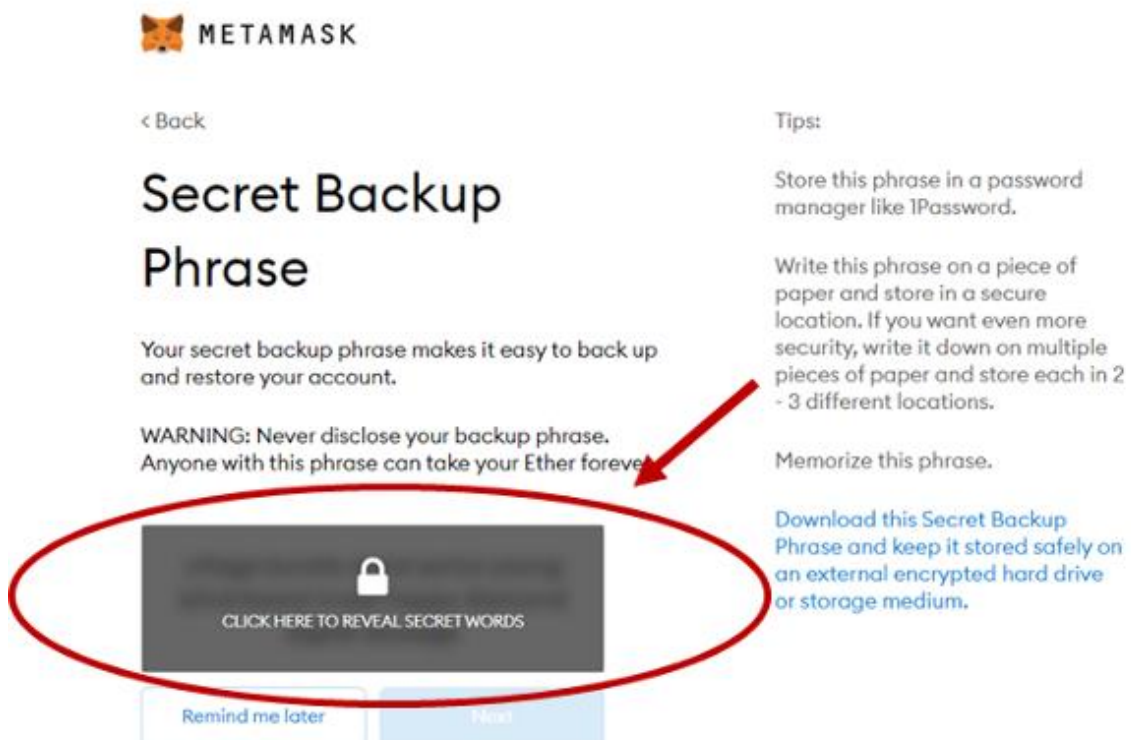
I have read and agree to the [Terms of Use](#)

## 6. Reveal **Secret Backup Phrase**

This step is by far the most sensitive part of setting up your wallet. A secret backup phrase is a 12-word unique phrase, that helps restore access to your wallet if you ever forget your password or use a different computer.

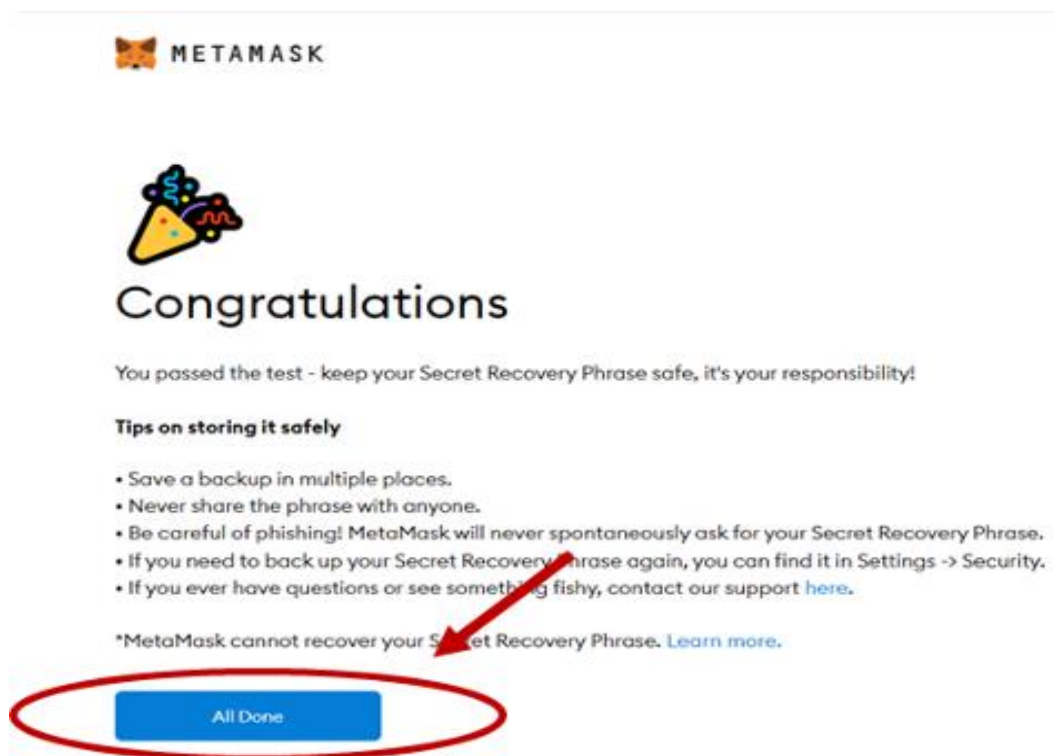
No one should ever ask for your secret backup phrase, so make sure you **do not share** it with anyone.

Write it in multiple places that only you can access and make sure you do not lose your secret phrase. If lost, you will not be able to access your wallet in case your computer is lost, stolen, or if data gets corrupted.



## 7. All Done

Finally, you will receive this message which means your wallet has been successfully created.



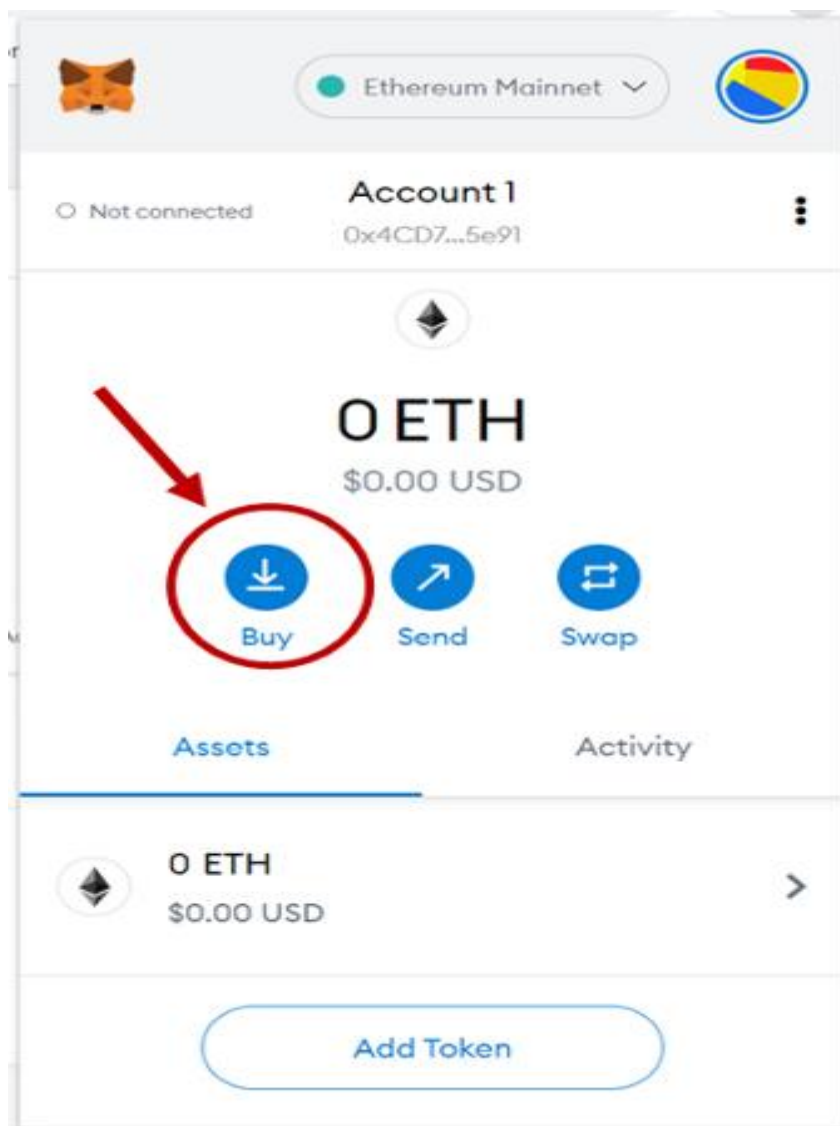
## Step 2 — Buy or Transfer Ether (ETH)

Once you have set up your MetaMask wallet, you will need [Ether \(ETH\)](#) to pay for your first NFT. You can either buy ETH on Metamask or transfer it from another existing wallet.

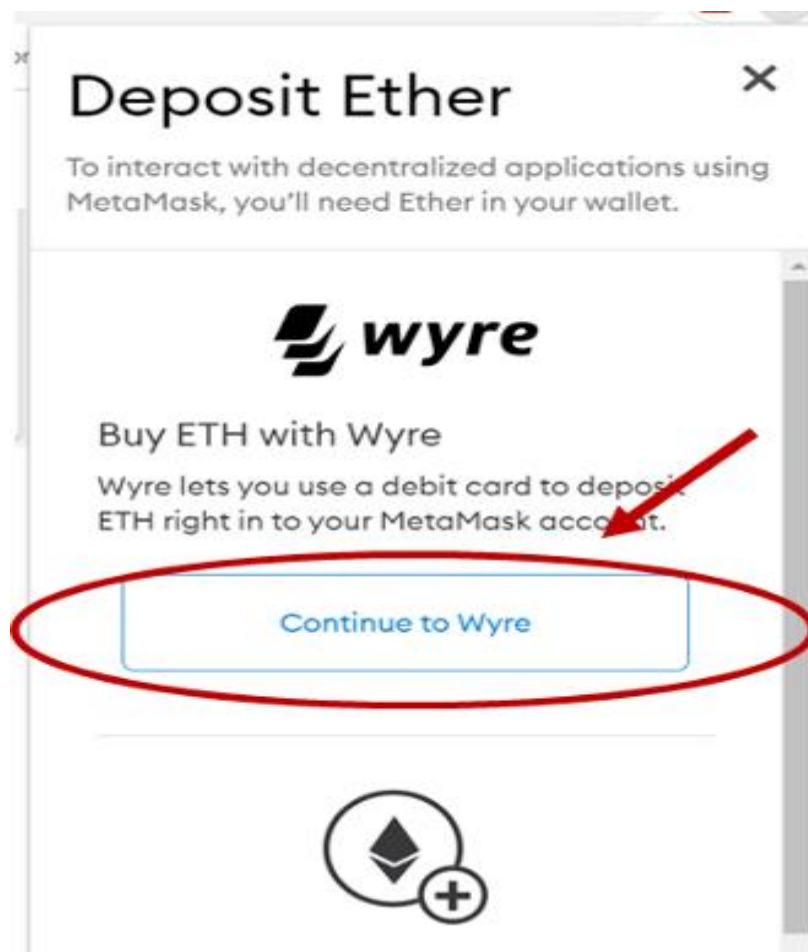
Buying ETH on MetaMask

You can buy ETH on MetaMask using your credit or debit card.

1. **Click on Buy** and follow the prompts.



## 2. Click on **Continue to Wyre**



### 3. Convert USD or any other currency into ETH

Follow the next page to enter your credit/ debit card details and ETH will get credited to your wallet.

The screenshot shows a payment interface for converting USD to ETH. At the top, it displays "\$ 1000" and "-0.36384666 ETH". Below this, there are buttons for "USD" and "ETH". A field for "Your ETH address\*" contains the address "0x4cd7cb67bab9ae2eeb057c77246e8598daed5e91". Under "Select payment method", there are two options: "Apple Pay" and "Card payments". A table shows the exchange rate and fees:

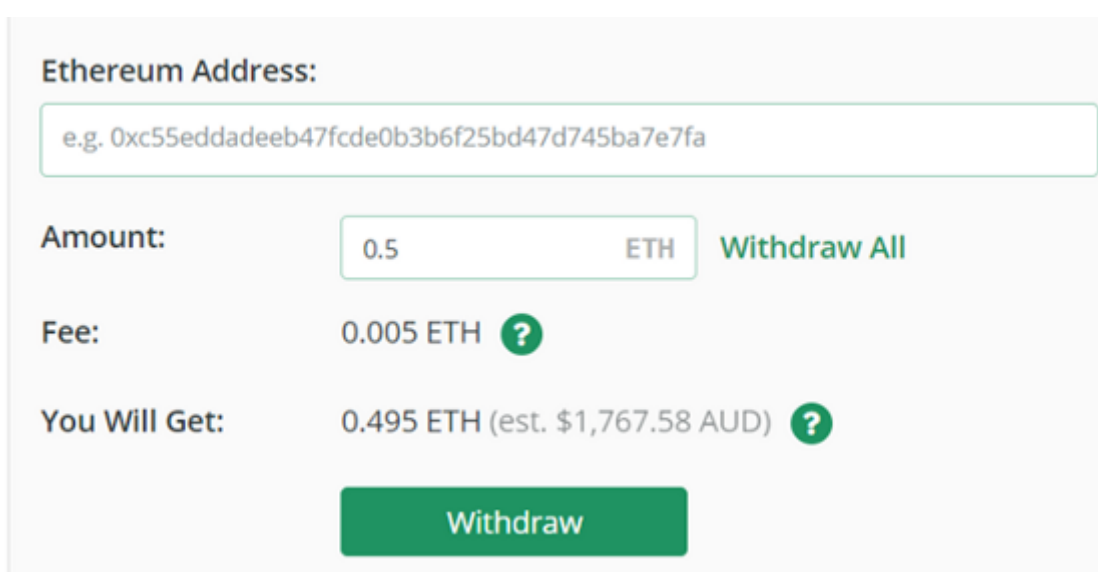
ETH Exchange Rate	2748.41 USD
Transaction fee	29.30 USD
Network fee	1.50 USD
<b>Purchase Total</b>	<b>1030.8 USD</b>

Below the table, there is a checkbox for authorization:  I authorize Wyre to debit my account indicated for the amount above on today's date, and I agree to [Wyre's terms](#). At the bottom, there is a "Next" button.

Note that you will need to pay the network and transaction fee for the conversion. It is a percentage of the total USD that you wish to convert. I feel it is a bit higher in Wyre, and for that reason, I prefer transferring it from my custodial wallet in BTC Markets.

## Transferring ETH From Another Wallet

You can transfer ETH from another wallet by going to the “Withdraw” page of your respective exchange and entering your wallet address. Here is a screenshot of the “withdraw” page on my BTC Markets account.

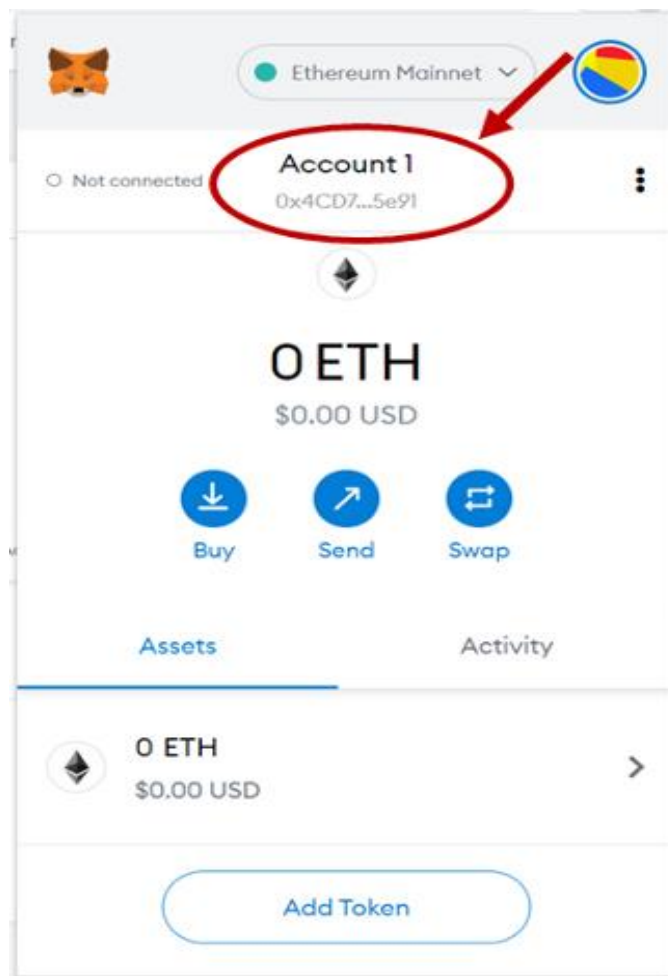


The screenshot shows the 'Withdraw' interface for Ethereum on the BTC Markets platform. It includes a text input field for the 'Ethereum Address' with a placeholder example: 'e.g. 0xc55eddadeeb47fcde0b3b6f25bd47d745ba7e7fa'. Below this, there are three rows of information: 'Amount' set to '0.5' with 'ETH' selected and a 'Withdraw All' link; 'Fee' set to '0.005 ETH' with a help icon; and 'You Will Get' set to '0.495 ETH (est. \$1,767.58 AUD)' with a help icon. A green 'Withdraw' button is positioned at the bottom of the form.

A wallet address is a unique digital address, made up of letters and numbers, that you can use for sending and receiving digital currencies such as Bitcoin and Ether. It is similar to an account number in the traditional banking system. Wallet addresses are public and are safe to share with others.

You can find your MetaMask wallet address on the top as shown below.

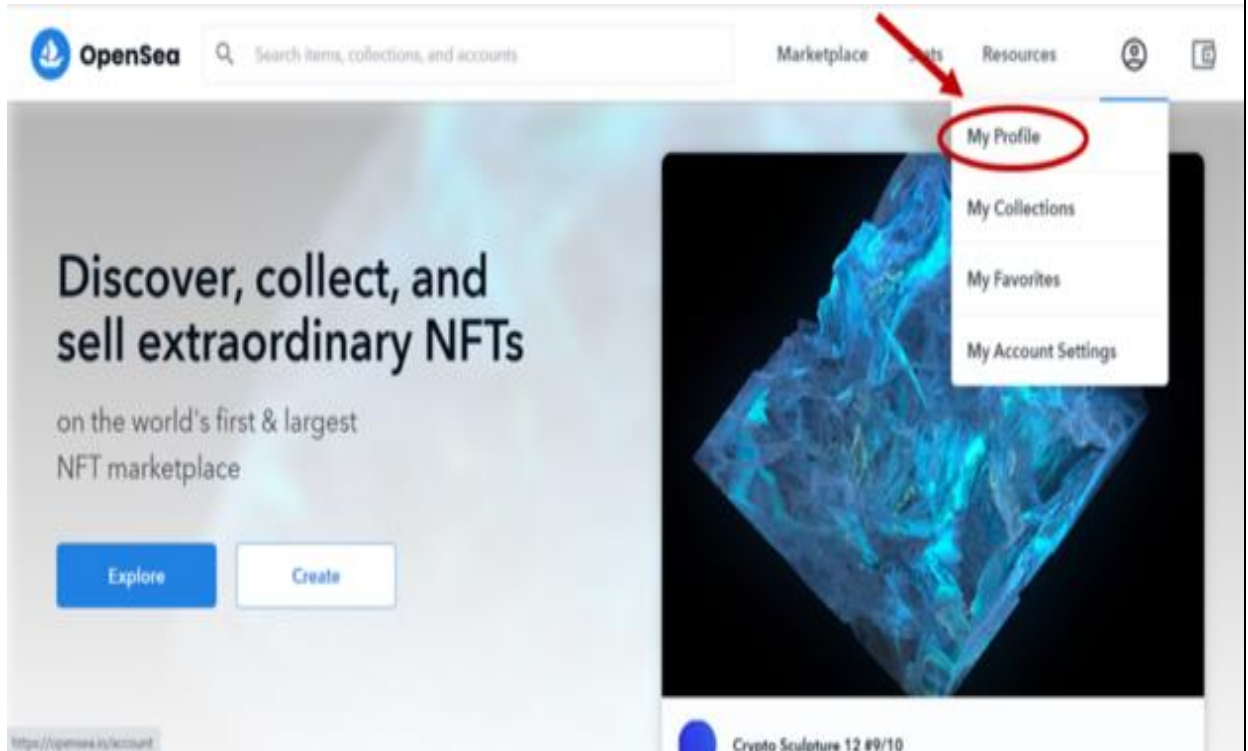




### Step 3 — Set up Your Opensea Account

After setting up your MetaMask wallet and adding ETH, the next step is to set up your account on an NFT marketplace such as [OpenSea](#). NFT marketplaces are platforms where NFTs can be stored, displayed and traded. These marketplaces are to NFTs what Amazon or eBay are to products.

Head to the [OpenSea](#) website and create your account by clicking on **My Profile** → **Sign in** and follow the instructions.



Follow the prompts to set up your account. It is straightforward and will take a couple of minutes.

You will need to connect your MetaMask Wallet to OpenSea so you can view the NFTs that are available in your wallet after purchase.

Click on Get MetaMask and follow the prompts to connect your wallet.

You need an Ethereum wallet to use OpenSea.



## Step 4 — Buying Your First NFT

Here comes the fun part of buying your first NFT. There are two ways of buying an NFT.

### 1. Minting an NFT

Minting is the process of creating an NFT on the blockchain. Most new projects allow buyers to mint or create an NFT on their website. When you mint an NFT, you become the first owner of that particular digital asset (NFT), and the information is stored on the blockchain.

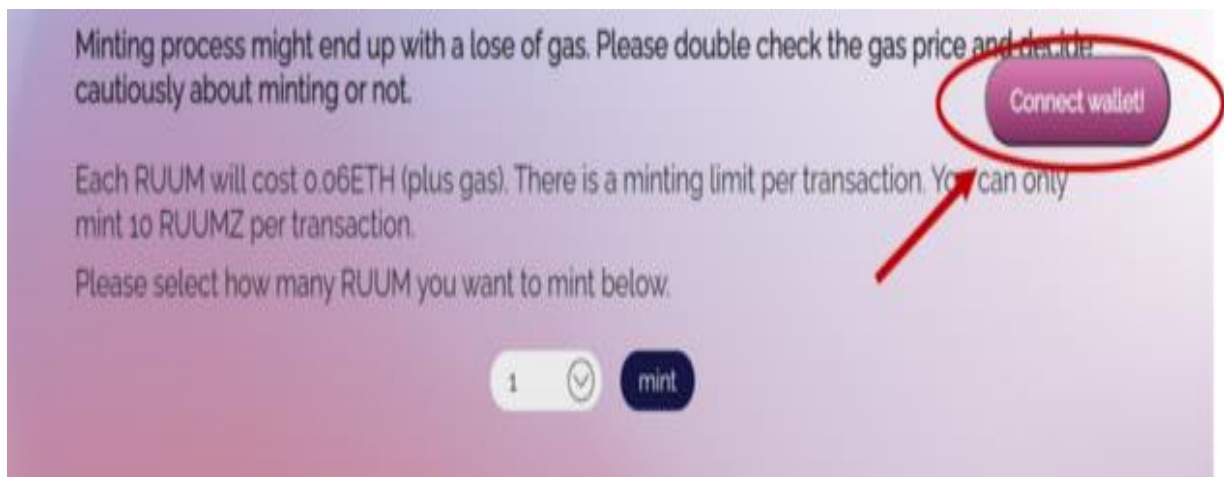
Consider it similar to the process of an Initial Public Offering (IPO) in the stock market. An NFT company or project releases their NFTs for the first time for the general public.

During the minting process, you do not get to choose your digital art. It is assigned to you randomly, and every piece of art has the same price. Naturally, the cost is much lower than buying it on the marketplace such as [OpenSea](#). We'll get to it in the next section.

You can mint an NFT by going to the website of a newly launched NFT project. Let us take an example of the RUUMZ NFT project, which is still available for minting at the time of writing.

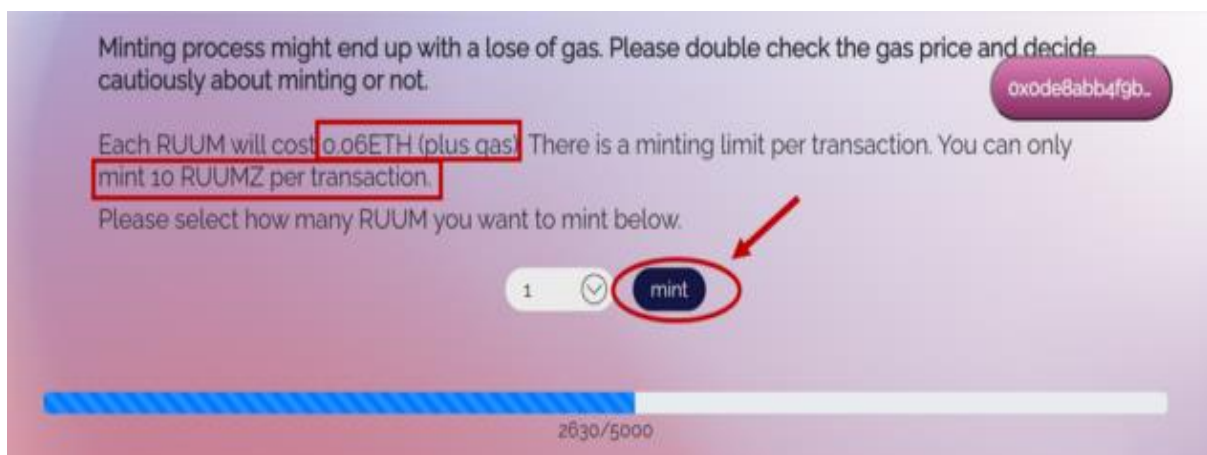
Go to the **website** of the NFT project and **connect your wallet**

Make sure you only go to the official website. The links are usually available either on their Twitter handle or Discord channel.



## 2. Select the number of NFTs from the drop-down and click on mint

The price of each NFT is usually specified, along with the maximum number of NFTs you can mint per transaction. In the below screenshot, the cost of 1 NFT is 0.06 ETH (plus gas). A gas fee is a transaction fee per NFT purchase. The gas fee varies based on traffic on the Ethereum network and the ongoing rate is available on the gas tracker.



## 3. Review Gas Fee

Before you start minting, the MetaMask extension will pop up and show gas fees. As you can see in the below screenshot, the gas fee is almost 6x of the NFT price which is unusual and happens when you either have insufficient funds in your wallet or there is heavy traffic on the Ethereum Blockchain.

Either way, it's always better to monitor the ongoing price in the gas tracker and resume minting when the prices are lower. Typically, gas fees should be in the range of 15–40 Gwei.

The screenshot shows a MetaMask notification window for a transaction on the Ethereum Mainnet. The transaction is a contract interaction on the website <https://ruumz-art.online>. The transaction details are as follows:

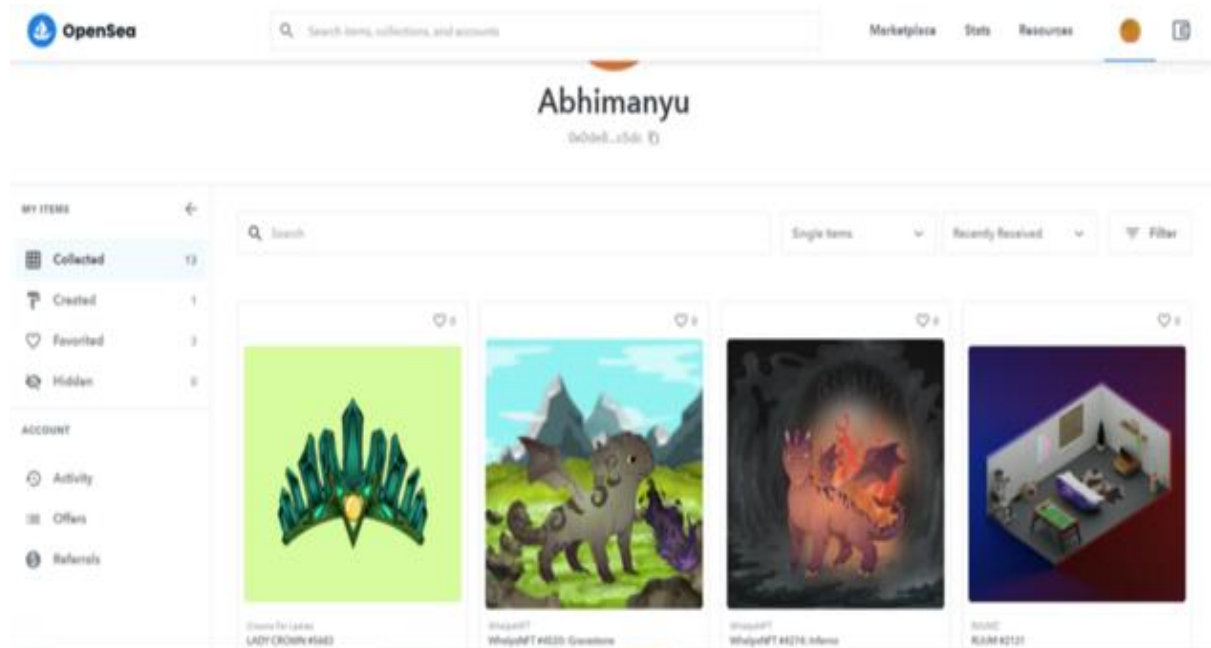
Field	Value
NFT Price	0.06 ETH
Gas Fee	0.32775 ETH (\$852.52)
TOTAL	0.38775 ETH (\$1,008.58)

After reviewing the gas fee, click on **Confirm**, and your NFT will be minted. The minting process can sometimes take a few minutes to process, depending on the blockchain traffic. ETH will be deducted from your wallet only after the transaction is successful.

In rare instances, the transaction fails when the collection gets “sold out”, and a gas fee may get deducted from your wallet. In such cases, contact the NFT project team for assistance. They are usually available on their Discord channel.

#### 4. View your collection on OpenSea

After minting your NFT, you will be able to view your NFT collections in [OpenSea](#) by clicking on **My Profile**.

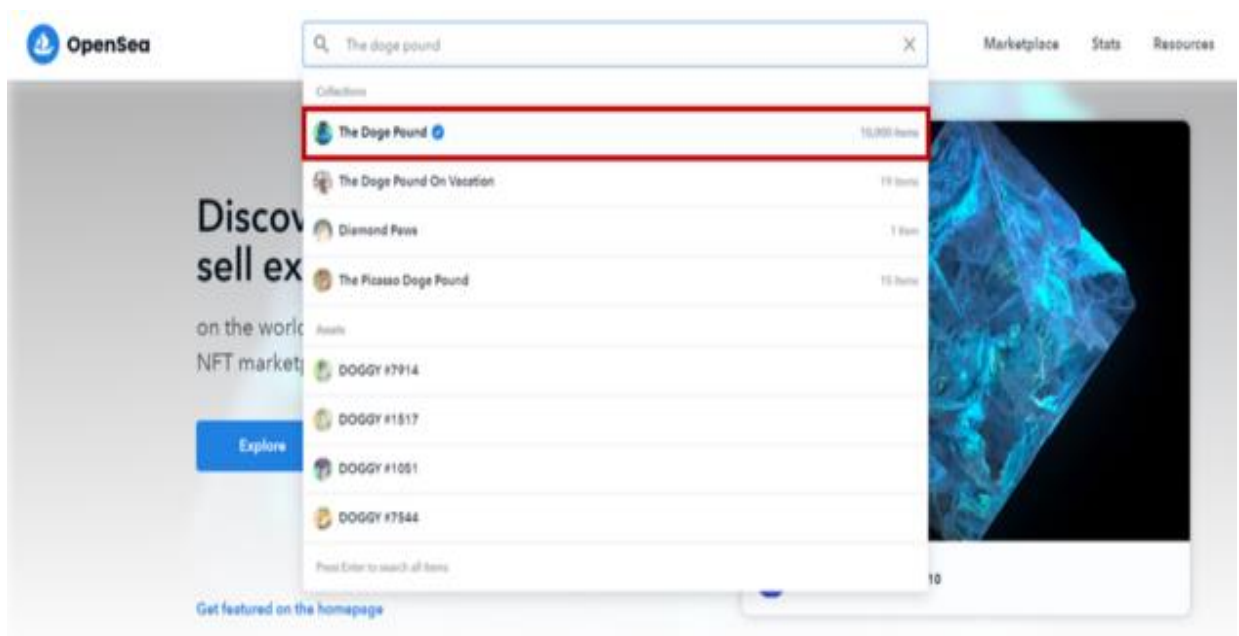


## PROCESS OF BUYING NFTs

The second method of buying NFTs is directly purchasing them from the secondary market.

1. Go to **OpenSea** and **search** for the NFT you wish to purchase

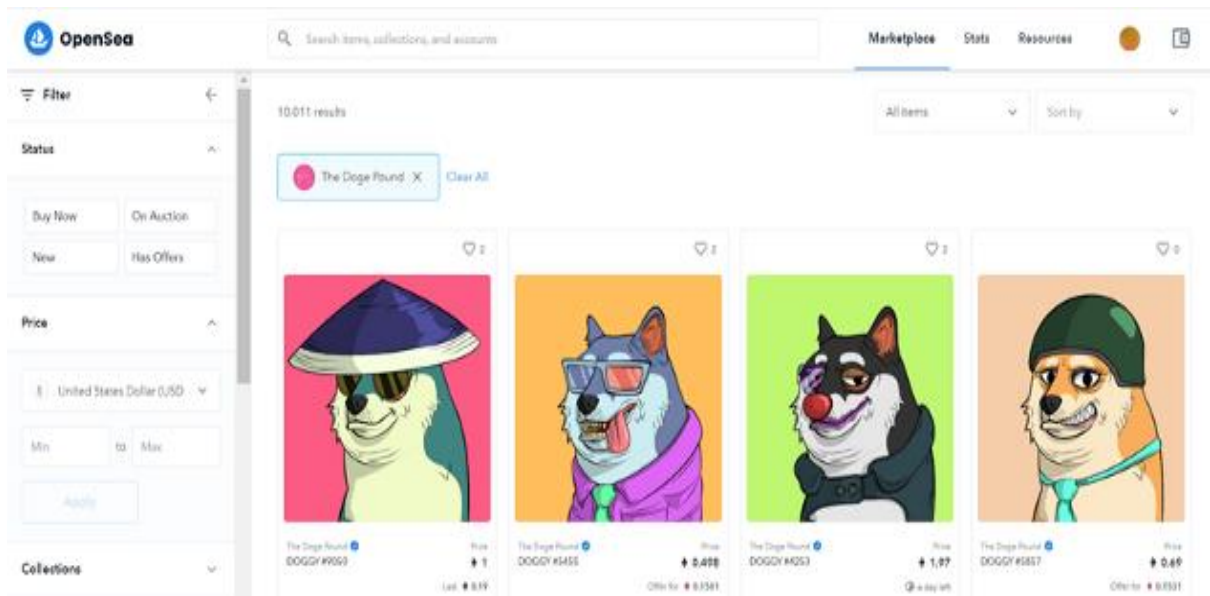
Let's say you want to buy an NFT of **The Doge Pound** project. Type its name in the search bar. Usually, popular NFT projects are "Verified" with a blue checkmark. So, make sure you look for that to avoid fake collections (see screenshot below).





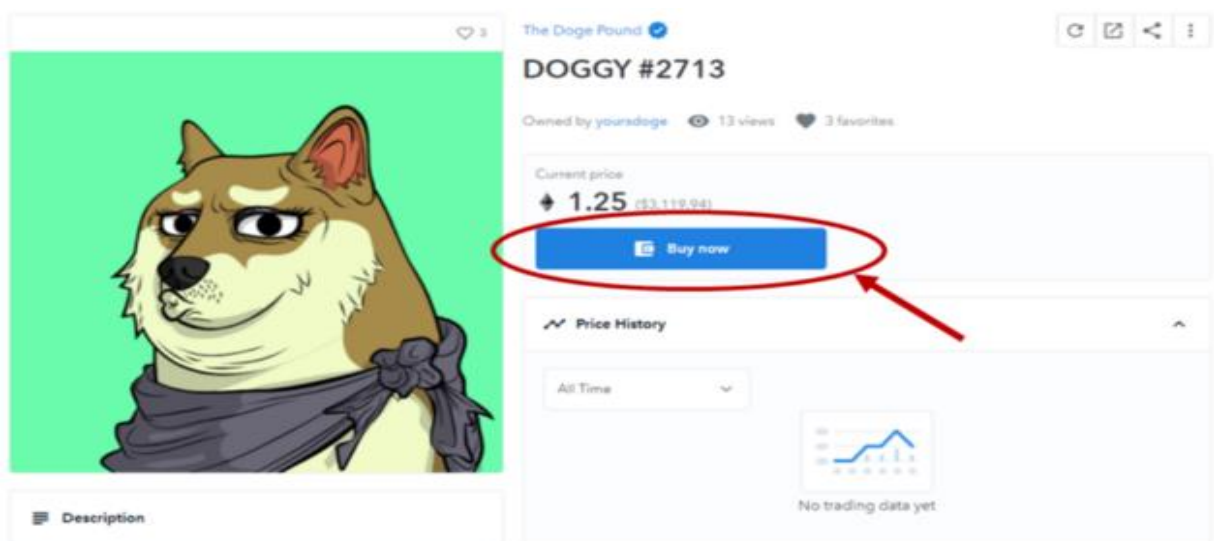
## 2. Click on your desired NFT

Click on the one you are interested in, out of all the available NFTs.

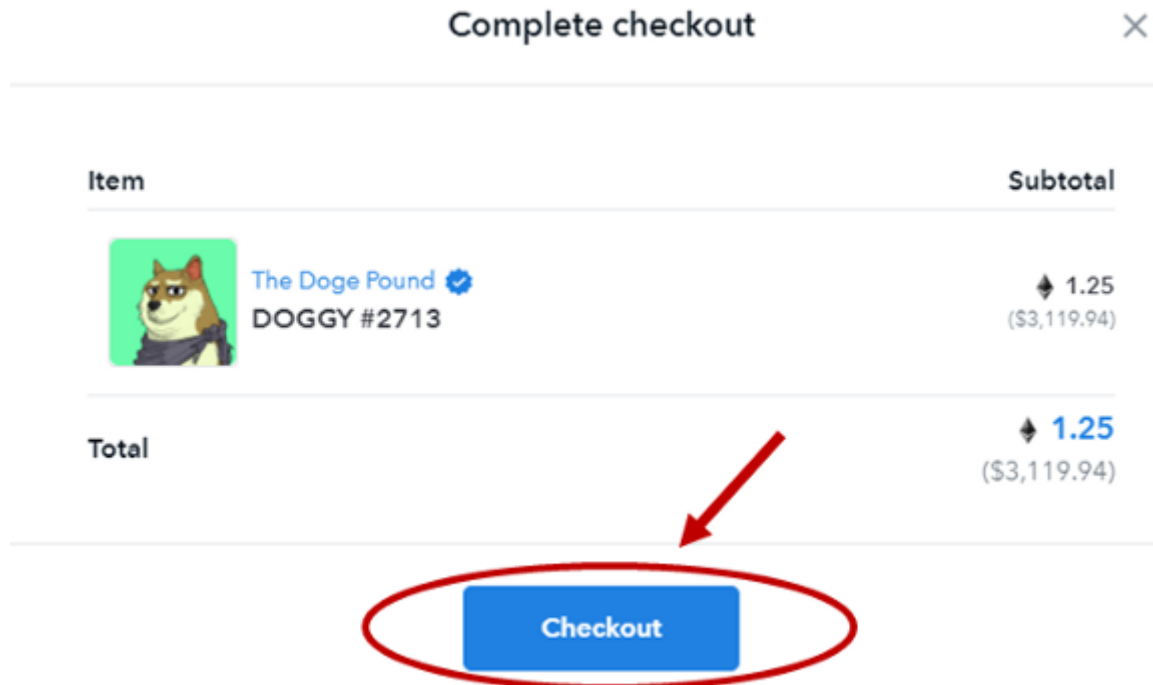


## 3. Click on Buy Now

On the subsequent page, click on “Buy Now” to purchase your NFT



#### 4. Review Total and click on Checkout



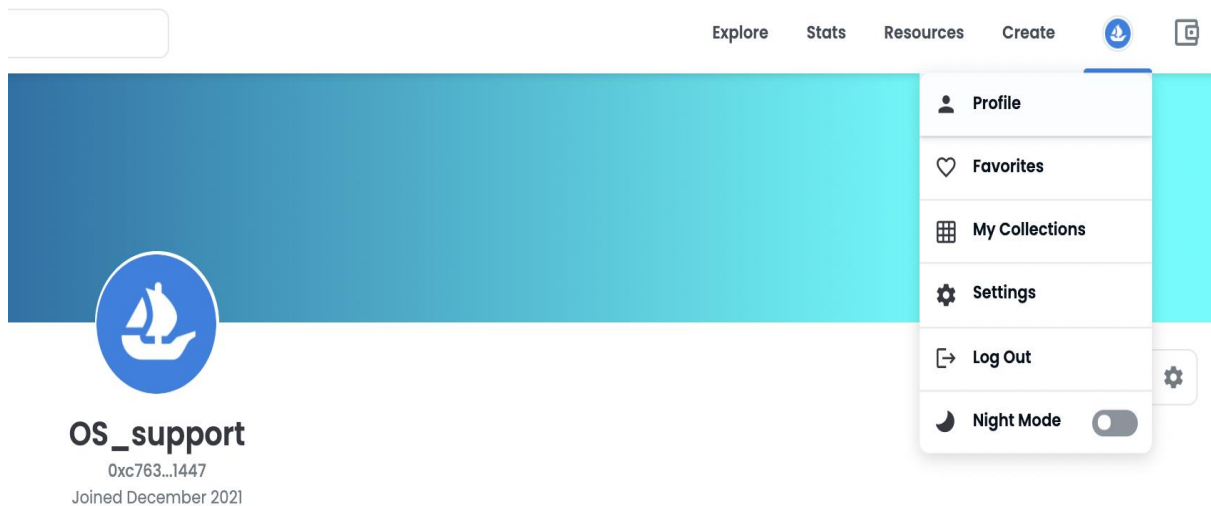
Follow the prompts to finish purchasing your NFT. Similar to the minting process, you will have to review the gas fee and confirm the transaction in your MetaMask wallet to complete your purchase.

There you go! You have just purchased your first NFT. Congratulations!

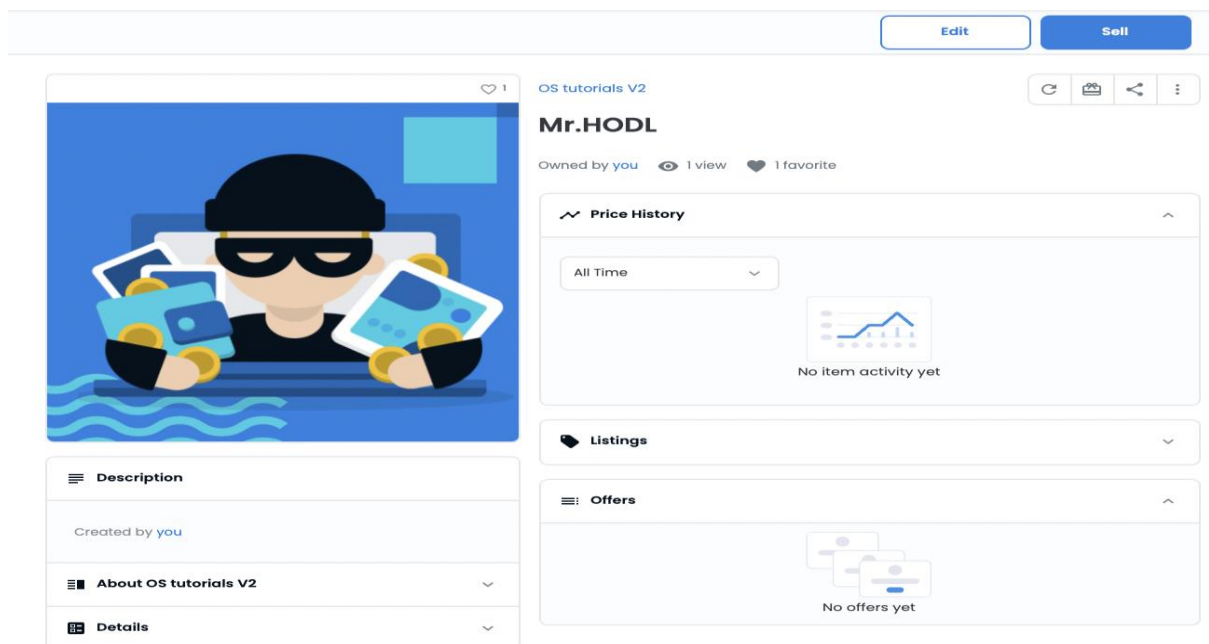
## PROCESS OF SELLING NFT

On OpenSea, navigate to the top right of the page and click your **profile icon**.

Select the NFT you would like to sell from your wallet. If you don't have an NFT available to sell, check out our [create an NFT tutorial](#) to get started.



On the top right of the item page, click **Sell**.



You'll be taken to the listing page, where you can choose the price and type of sale.

In a **Fixed Price** sale, the seller establishes the NFT price. In the screenshot below, the price is fixed at **1 ETH**. You can refer to [how do timed auctions work?](#) to learn more about **Timed Auction** sales.

## List item for sale

Type



<p>\$</p> <p><b>Fixed Price</b></p>	<p></p> <p><b>Timed Auction</b></p>
-------------------------------------	-------------------------------------

Price



ETH

1

\$1,129.10 Total

Duration

1 month

You can also set a duration for the sale by choosing a default duration or setting a custom duration using the calendar.

**Duration**

📅 6 months

**Date Range**

6 months ▾

**Starting** 12/03/2021 — **Ending** 06/03/2022

**December 2021**      **January 2022** →

Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28	29
							30	31					

🕒 01 : 55 PM — 🕒 01 : 55 PM

Lastly, you can also reserve the item for a specific buyer. To do so, open the **More options** section and enter their wallet address into the field **Reserve for specific buyer**.

**Price** ⓘ

ETH 1

\$4,345.18 Total (\$4,345.18 each)

**Duration**

6 months

**Sell as a bundle**

**Reserve for specific buyer**

This item can be purchased as soon as it's listed.

0xf45a189...

[Fewer options ^](#)

---

**Fees** ⓘ

Service Fee 2.5%

In all those options, you'll see the potential fees from the sale listed at the bottom. In this case, this sale includes OpenSea's **Service Fee** of 2.5% and **Creator Earnings** of 10%, for a total of 12.5%. This is the highest percentage that can be deducted from an NFT sale on OpenSea.


## Completing your sale

You'll then be asked to confirm your sale by signing a transaction. If you've never sold on OpenSea before, you'll need to [initialize your wallet](#) first. Also, if the item you're listing was not minted on OpenSea but through a custom contract, there may be an additional


approval and signature required to allow OpenSea to trade the item on your behalf.

**Complete your listing** ✕

---



OS tutorials V2  
**Mr.HODL**  
Quantity: 1

Price  
1  ▼  
\$4,345.18 USD

---

Your wallet balance is below 0.05 ETH. The next steps require small transaction fees, so you may have to deposit additional funds to complete them.

1**Initialize your wallet** ^

To get set up for selling on OpenSea for the first time, you must initialize your wallet, which requires a one-time gas fee.

Waiting for initialization...

2**Approve this item for sale** ▼

3**Confirm 1 ETH listing** ▼

Once your listing is complete, you'll see a pop-up confirmation like the one below. Make sure to share your listing on social media!

Your item is now listed for sale



Share your listing



[View Item](#)

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## **The upcoming scenario of NFT based jobs in India**

NFTs or Non-fungible tokens are in much demand and in discussion these days. With the lightning rise of NFT sales across the globe, job and business opportunities are on the boom for different types of professions. These professions include developers working for gaming and NFT transactions for different businesses, players with monetizing skills, and many more.

The jobs like **NFT designers, developers, artists, creators**, social media experts, etc. are on rising these days. Many companies are willing to enter the Metaverse – virtual world and they need NFTs to develop communities and make the consumers follow them online. This will enhance their sales and reach a large audience and also help in generating quality leads.

For this purpose, multiple positions are opening for different profiles so that companies can enter this market. NFTs provide authenticity and digital ownership certificate for the digital products that consumer buys. However, the use of NFTs is changing the way of business and buying behavior of consumers online.

Some business leaders recently spoke to the media regarding NFTs and said that this is just the beginning. There is more to see in the hiring space of the NFTs market as NFTs enter the mainstream

business. Non-fungible tokens are mostly useful for artists, athletes, companies, real estate businesses, etc. India is a hub for many talents and for blockchain development and NFTs, it is a growing area. Many global companies are hiring techies and NFT enthusiasts with relevant skills and offering good salary packages.

### **Upcoming Opportunities**

The growth rate of NFTs as per the trading volumes raised around 11 Billion \$ in the year 2021 as per the DappRadar platform. These are just quarterly results. This also raised the incentives which showed steep growth in the talent. Moreover, the recent pandemic raised the online activities where many people are involved in different activities. Due to the growth in the Blockchain market and digital products, we can see a good increase in the NFT-related jobs in the coming years.

Currently, the NFT job market has only hundreds of opportunities and it needs to develop with awareness of NFT usage and its value. The rise in NFT transactions and the users will automatically create more opportunities in this sector undoubtedly. Some of the possible positions in the NFT field include- NFT Analyst, NFT Creators, Blockchain Developer, Community Manager, NFT strategist, etc.

## **Latest opportunities for professionals to learn NFTs?**

NFTs or Non-Fungible Tokens have caught the attention of many people starting from the extensive internet users to giant business entities. There are many opportunities for experienced professionals as well as fresher in this tech field. All the need to do is to get acquainted with the NFT skills, their uses, and working strategy.

But before learning NFTs, it is more important to know about the Blockchain technology that runs behind NFTs. In the blockchain, you can come to know about smart contracts, NFT basics, distributed ledgers, protocols behind the NFTs, mining and minting cryptos/NFTs, NFT marketplaces, etc.

Further, you will learn about blockchain wallets, transactions, NFT projects, communities, industry, security, NFT applications, and much more. Therefore, if you learn blockchain, then it will cover all the aspects of NFTs. Blockchain enthusiasts, artists, and other professionals can easily learn these tools and techniques to become experts.

There are different courses available to learn NFTs and blockchain in the market today both online and offline. So, interested professionals and students can start learning even from scratch. But if you learn from the industry experts then it will be highly beneficial to gain expert skills for building a bright digital future.

## **Reasons to Invest In NFTs**

**Creates Tokenized Asset Value** - With NFTs, physical objects such as artworks are tokenized. This eliminates the duplication of the art and limits the ownership to the artist. Thus, it helps in creating the scarcity of artwork and value for it.

**Offers More Liquidity for Investors** - Tokenized assets offer you, an investor, liquidity when you require it. For instance, if you own virtual

land and decide to rent it to influencers or advertisers for a remuneration, then you're still the owner of the virtual space but only a part of it is liquified as rent.

**Potential in Development and Growth** - As mentioned before, the potential of NFTs for development and growth in the land sector is limitless. For instance, in the real estate sector controlling and owning virtual lands provides power to decide what to do with your land. You can either rent it or build a secure and solid business for online sales or advertising.

## Frequently Asked Questions on NFTs

### **What are NFTs and how do they work?**

NFTs is an acronym for [Non-Fungible Tokens](#).

Non-Fungible in the sense that they are unique and cannot be interchanged like fungible assets such as Bitcoin. Let's take for example if you exchange a Bitcoin to get another, nothing changes, you still get the same Bitcoin back — it's the opposite in the case of NFTs.

Each NFT has a distinct signature used to designate and verify ownership of assets — there is no two original copy.

NFTs are digital assets that are usually representations of real-world objects such as in-game items, videos, music, collectibles, virtual assets, and arts. These crypto-assets are largely part of the Ethereum network, however, there have been other versions of NTFs implemented on other blockchains such as [Algorand](#), [Tron](#), [WAX](#), [Tezos](#), [EOS](#), [Solana](#), [Cardano](#), [Binance Smart Chain](#), and [Flow](#).

### **Why does NFT art have value? Why are NFTs so expensive?**

Same as physical art, four factors contribute towards the [value of an NFT art](#) — how expensive it becomes.

The first is the “market-driven value”, which depends on the speculated resale value and popularity of the artist. The second is the

“subjective value”. It involves the moral statement or political message that is conveyed by the art — how it makes you feel.

Another value determinant of NFT arts is the “objective value”. This involves the experience and technical skill by which it was created.

Lastly is the “historical value” the piece of digital art has.

All these factors contribute to how people value NFTs. “[The Merge](#)” which sold at an auction for a whopping USD 91.8 million is the most expensive artwork ever. Each NFT created or minted is unique, and its right can be traced to the owner, and blockchain technology protects this right of ownership.

It was recorded by DappRadar that in the 3rd quarter of 2021, NFTs sales increased to \$10.7 billion, from the \$1.3 billion in the second quarter of 2021.

Because lately, a lot of crypto enthusiasts believe that to make money with NFTs, you have to have a lot of money to buy a valued NFT, including a gas fee. This is not entirely a lie because, in the business world, you need money to make more money. The higher your capital, the higher your profit.

In the era of decentralized finance, anyone with as little as \$20 can buy a coin or a token that can make him 200,000\$ in a few months of hodling. People are asking the same questions “can I make so much from so little with NFTs?” Check out our article on “how to make money from a less than \$100 NFT”

### **What are NFTs used for?**

NFTs can be used to indicate ownership of rare assets which represents real-world items like real estate and artwork.

It's important to note however that purchasing an NFT that includes the copyright of the original artwork does not mean its copyright is automatically transferred to you. While you can sell the NFT itself, you are prohibited from reproducing or selling its content.

### **Are NFTs a good investment? What is the risk of NFTs?**

NFTs can be categorized under the High Risk, High Reward investment type. The [NFT market](#) is fueled by scarcity and desirability which explains the craze people have about them.

However, pundits warn potential investors — who are over-excited by the unimaginable prices NFTs are being sold — against staking their financial security on NFTs. Same as [Initial Coin Offerings](#), there are high chances you can get scammed in NFTs. You also have to consider the fact that you don't own the content of the NFTs when investing.

Before you attempt to invest in NFTs, invest in knowing what you're getting into. You need incredible knowledge in the cryptocurrency industry if you're ever going to have a bleak chance of success.

With NFTs, the philosophy of time and chance is a real thing. They are only worth the amount people are willing to pay for them.

## **What is the environmental impact of NTFs?**

One harmful trait both NFTs and Bitcoin share is their massive use of energy. Thus their environmental impact is similar.

NFT arts are sold and authenticated using energy-intensive computer transactions. These transactions are required for minting NFTs, to bid and pay for the NFT after successful bidding, as well as the process of transferring ownership.

This show tells you how much electricity consumption these transactions take and their impending effect on the environment. And the massive boost NFTs are getting is not helping matters either.

The major problem with these NFT transactions is the energy used. Miners generally opt for cheap sources (like fossil fuels) in a bid to maximize profits.

Another concern is the technology being used, the recycling and production of the hardware being also contribute negatively to the environment.

## **Can NFTs be copied?**

No, and Yes. While the technology “NFT” cannot be replicated because of security factors inherited from blockchain, the media can be copied easily.

Take, for example, the Mona Lisa painting done by Leonardo da Vinci, while there are many lookalikes and iterations of the original painting, there is no two original Mona Lisa artwork. The same goes



for NFT, it's impossible to fake the creator's wallet even though copying the contents of an NFT can be done.

NFTs contain unique codes — stored on the blockchain in an immutable form — that makes it possible to trace them back to the creator. Read our detailed article here on where NFTs are stored.

### **Will NFTs last?**

The questions as to the durability of NFTs have generated mixed opinions due to the many uncertainties as regards its use case.

Experts believe that projects based on strong fundamentals are likely to survive the test of time, however, that can be said about weaker ones.

Projects that are most likely to lose the fizz are NFT collections that lack utilities.

### **Can I make money in NFTs as much as Crypto coins?**

A lot of crypto traders ask if they can make money in NFTs as much as they can in crypto. Or the prospects of making money faster either with coins or NFTs. We should know that making money in crypto requires patience. Some investors also wonder if they can just open an NFT marketplace and right-click or save an NFT.

Anyone can do this, however, it can't be sold. The real money you get from having an NFT is when you sell it. When OpenDao gave out free \$SOS tokens to active users of Opensea, a lot of people did not qualify for the airdrop because though they bought NFTs in OpenSea,

they did not sell. The selling was where the real activity was pegged to.

You do not need to possess a special skill to buy or sell an NFT. Musicians, Artists, Social media influencers, and videographers can create NFT. All you need to show is that you legally have the right to the ownership of the NFT, anyone can Mint NFT too.

### **What is the future of NFTs?**

OpenSea co-founder Alex Atallah said in an email that “the possibilities of NFTs are endless since they can be used to log ownership of any unique asset.” Using NFTs as event tickets, software licenses, fan club memberships, or other interactive experiences is already a common use case for NFTs.

Nike and other well-known American companies are already experimenting with new ways to use NFTs. However, the use of NFTs in consumer products could be just the beginning. Isn't it possible to prove your identity using an NFT?


A shift from artist-driven NFTs to NFTs that focus on access or authorization has been observed, At a recent New York party, attendees gained entry by purchasing an NFT. When it comes to digital identity, I am curious to see how NFTs will be utilized.”


There is a lot of potential for NFTs in the \$85 billion video game industry. They're already being tried out by some of the bigger studios. The metaverse, a virtual 3D world proposed by Meta (formerly Facebook) CEO Mark Zuckerberg

# Data interpretation and analysis

## NFT data Collection

NFT data collection for MBA project

 **prathameshdurge69@gmail.com**  
(not shared) [Switch account](#)

 **\* Required**

**Name \***

Your answer

**Age group \***

15-30

30-45

45-60

60 & above

**Residential status \***

Indian

Non-Indian

**Do you know about NFT ? \***

Yes

No

**Do you invest in share market ? \***



Yes

No

**Submit** [Clear form](#)

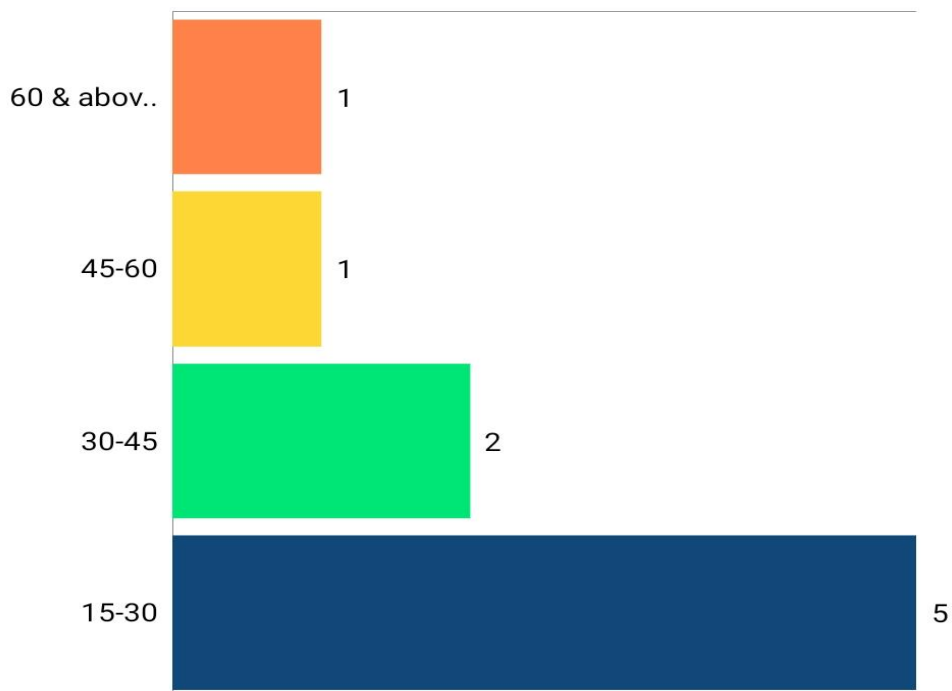
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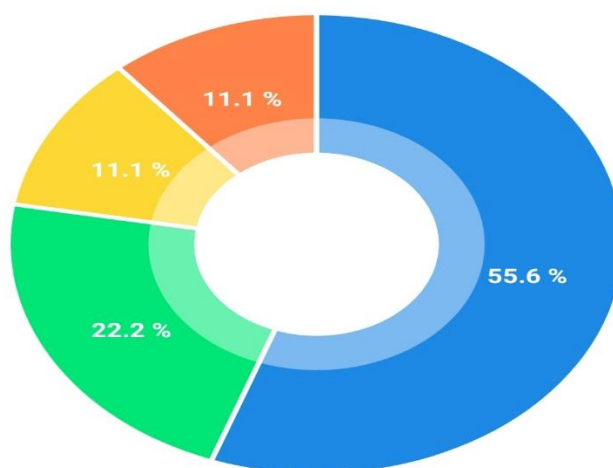
## Graphs and Charts

### Bar Chart of age group

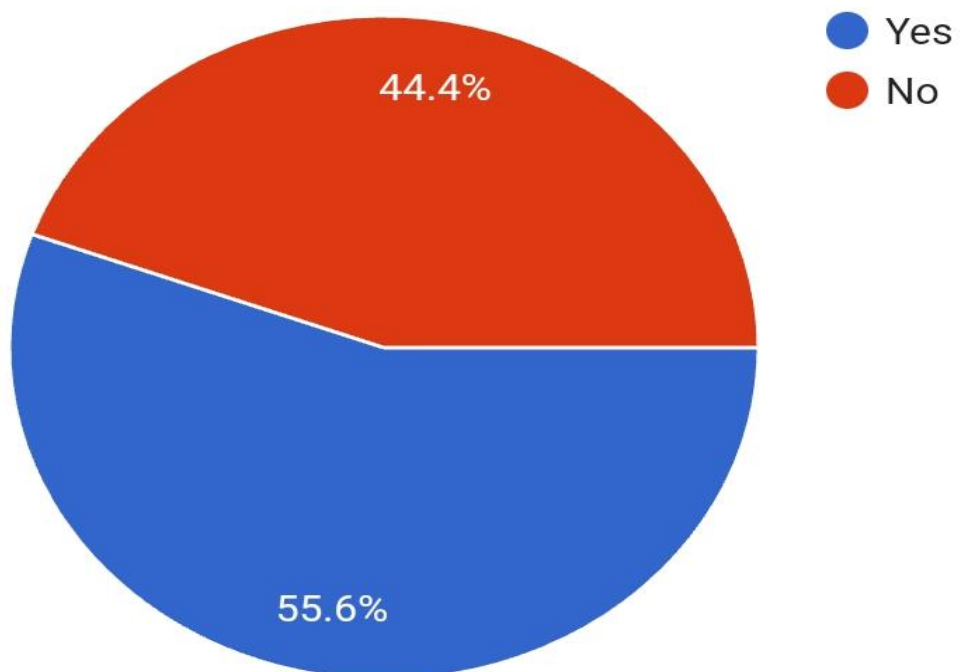
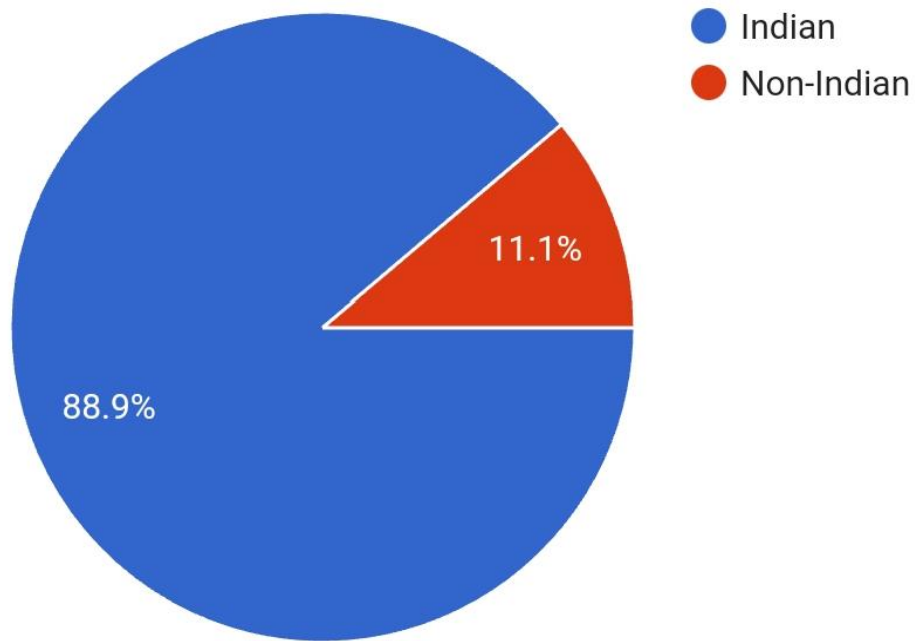


### Pie chart of residential status

- 15-30 - 5
- 30-45 - 2
- 45-60 - 1
- 60 & above - 1



## Pie chart of residential status and people know about NFT



## **Hypothesis**

- **H0** : There is no significant awareness and impact of NFT on customer.
- **H1** :- There is awareness and impact of NFT on customer.

## **Interpretation of data with hypothesis**

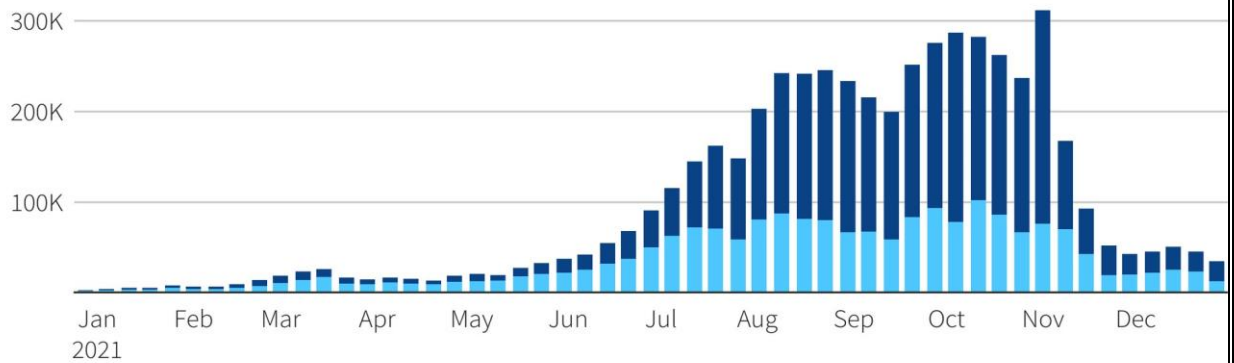
- As per interpretation on data, we can say that Indians are unaware about NFTs and therefore null hypothesis will be selected . Most of the people in India are interested in buying shares as compare to NFTs.
- Age group between 15-30 are 88.9% who are know about NFT and 55.6% of those age group invest in shares not in NFTs.
- As per worldwide data most of non-indian resident regularly invest in NFTs.

## Worldwide interpreted data

### Weekly NFT buyers - NonFungible.com

Number of wallets buying non-fungible tokens on the ethereum blockchain per week

● primary market ● secondary market

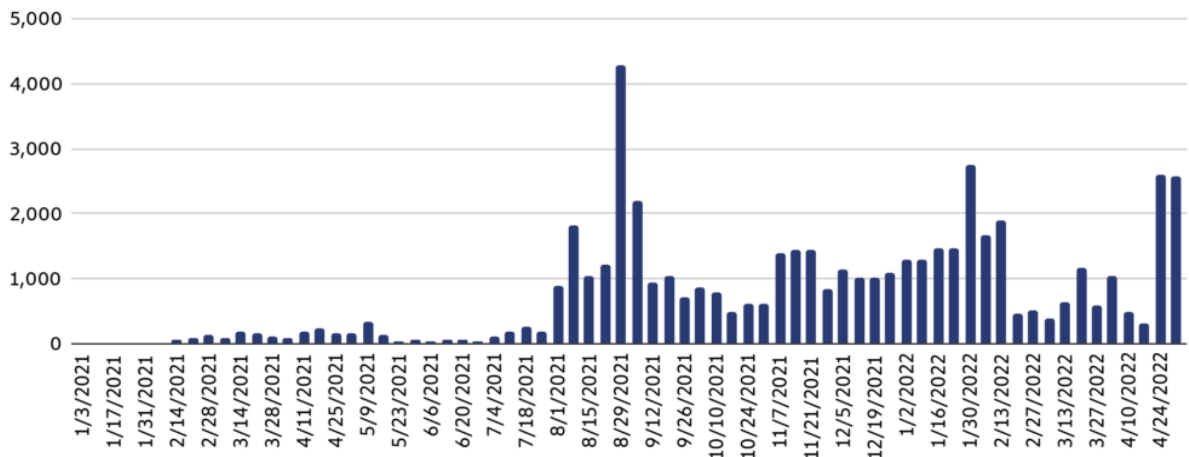


Note: Data only shows transactions on the ethereum blockchain and excludes "off-chain" sales. Figures for January to September have been revised higher than earlier estimates as NonFungible.com said it added more data sources.

Source: NonFungible.com

### Number of institutional-sized NFT transactions per week, 2021 - 2022 YTD

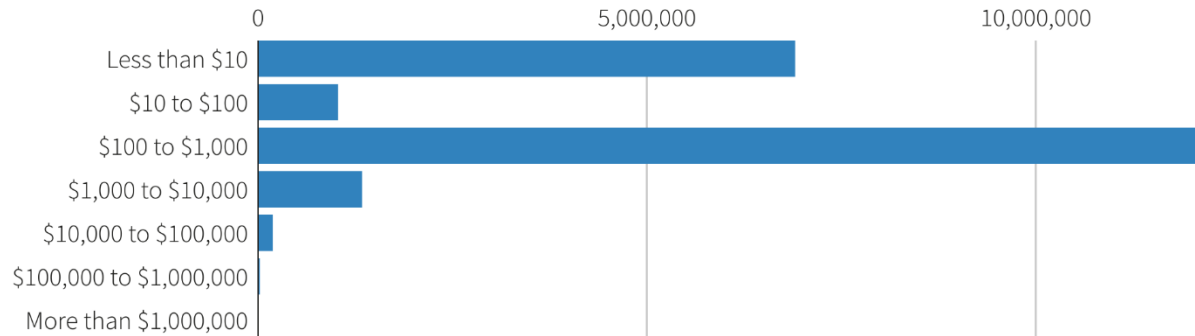
Institutional transactions = Transactions over \$100K



© Chainalysis

# Most NFTs are under \$1,000

Number of non-fungible token sales in each price bracket in 2021



Note: Data only shows transactions on the ethereum blockchain and excludes "off-chain" sales

Source: NonFungible.com



## **MOST BOUGHT NFTs**

**BOREDAPEYACHT CLUB (\$154,550.3926)**



**CRYPTOPUNKS (\$138,058.6068)**



**DECENTRALAND (\$11,324.8976)**



**SANDBOX ( \$5,092.0037)**



**CLONEX(\$18,150.8307)**



## **ADVANTAGES**

### **NFTs Foster Marketplace Efficiency**

The most obvious benefit of NFTs is their potential to make markets more efficient. The conversion of a physical asset into a digital one can streamline processes, eliminate intermediaries, enhance supply chains and bolster security.

A prime example is unfolding across pockets of the art world. Thanks to NFTs, artists are increasingly able to connect directly with their audiences, eliminating the need for costly agents and cumbersome transactions. Moreover, the digitization of artwork is enhancing the authentication process, further streamlining transactions and reducing costs.

But NFTs have applications beyond marketplaces. Eventually, they could evolve as an effective way to manage and control sensitive data and records for individuals and organizations.

Consider our use of physical passports which need to be produced at every entry and exit point. By converting them into distinct NFTs, we could greatly streamline the process of managing travel and identifying individuals. The savings, in terms of time and money, could be significant.

### **They Can Be Used to Fractionalize Ownership of Physical Assets**

Today, it's difficult to fractionalize ownership of certain assets, including [real estate](#), artwork and fine jewelry. It is much easier to divide a digitized version of a building among multiple owners than a physical one. The same goes for a prized piece of jewelry or a rare case of wine.

Through digitization, the market for certain assets can be greatly expanded, leading to greater liquidity and higher prices. On an individual level, it can enhance the way financial portfolios are constructed, allowing for greater diversification and more precise position sizing.

### **The Blockchain Technology Behind NFTs Is Very Safe**

NFTs are created using blockchain technology, which is a system of recording information in a way that is impossible to hack, alter or delete. Essentially, a blockchain is a digital ledger of transactions that is duplicated and distributed across an entire peer-to-peer network of participants.

All NFTs stored on the blockchain have distinct records of authenticity and chain-of-ownership, which, theoretically, prevents them from being subject to mishandling and theft. Once data is added to the chain, it cannot be changed or deleted. This means each NFT's

scarcity and authenticity are preserved, fostering a level of confidence we're not accustomed to seeing in many markets.

### **NFTs Can Provide Diversification Benefit to an Investment Portfolio**

NFTs are different from [traditional investments](#), such as stocks and bonds. As discussed above, they have distinctive qualities and offer benefits we are only just beginning to comprehend and realize. That said, ownership is not without risk.

We'll touch on the risks in the next section. For now, just know that the NFT risk profile is different from that of other asset classes. As a result, by adding NFTs to an investment portfolio, you could improve its efficiency. Basically, this means achieving a better balance of risk and return.

## **LIMITATIONS**

### **NFTs Are Illiquid and Volatile**

Given its relatively immature state, the market for NFTs is not very liquid. NFTs are not widely understood and the number of potential buyers and sellers is small. This means NFTs can be very difficult to trade, especially during periods of distress. It also means NFT prices can be highly volatile.

### **NFTs Do Not Generate Income**

Unlike [dividend-paying stocks](#), interest-bearing bonds and rent-generating real estate, NFTs do not offer their owners any income potential. Like antiques and other collectibles, the returns associated with NFT investments are based entirely on price appreciation, which is not something you should count on.

### **NFTs Can Be Used To Perpetuate Fraud**

While the integrity of a blockchain is unquestionable, NFTs can be used to perpetuate fraud. In fact, a number of artists have recently reported discovering their work for sale as NFTs on online marketplaces — without their consent.

This obviously violates the intent of utilizing NFTs to facilitate the sale of art. The value proposition of an NFT is that it authenticates a

physical work of art with a unique token, assuring the person who owns the token that they also own the original work of art.

A serious problem arises if someone creates an electronic image of the original work, attaches a token to it, and puts it up for sale on a virtual marketplace. Here, there is no link to the original work. The token is linked to a fraudulent reproduction.

### **NFTs Can Harm the Environment**

It takes a significant amount of computing energy to create blockchain records, and there's a growing debate around the long-term harm the process is causing the environment. By some estimates, at the current rate, the carbon emissions from mining cryptocurrencies and NFTs will exceed those associated with the entire city of London in the coming years. Blockchain enthusiasts argue that an offsetting reduction in pollution is underway as NFTs transform global marketplaces, reducing the need for travel and office space utilization.

### **The Future of NFT Investment**

NFTs are an exciting creation, and they're garnering more and more attention as their use cases multiply. The headline-grabbing price tags attached to some NFTs are fueling the fire. However, prudent investors should tread very lightly when thinking about buying these assets because NFTs are highly illiquid and volatile.

Buying them with the hope of achieving triple- or quadruple-digit price returns is not advisable. The real value of NFTs lies in their potential to transform the way markets function and enhance the way we manage and control sensitive information. Here, the sky is the limit.

Nevertheless, if you want to participate in the blockchain movement and see NFT ownership as your way to do it, go for it. However, please do so responsibly. Don't put a lot of money into NFTs and always strive to establish low-cost positions. Otherwise, you could find yourself in a painful spot — financially and emotionally.



## LITERATURE REVIEW

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**Abstract:** The popularity of the Non-Fungible Token (NFT) has risen rapidly since 2020, becoming one of the most popular applications in the Fintech field. However, there has so far been no attempt to perform a systematic review in this new area. Considering the items of the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA), this paper conducts a systematic review of the research work on NFT, published in journals indexed at the Web of Science and ScienceDirect until April 2022. The results reveal that there are 13 published articles in the targeted journals and they are mainly focused on the asset pricing area. The research gaps identified in the literature also can be the opportunity for future study. Thus, we lay down the research agenda for the future in several important but unanswered fields related to asset pricing, tokenomics, and risk and regulation.

**Keywords:** non-fungible token; systematic review; research agenda

## **Conclusion**

With NFTs, the range of possibilities is unlimited and diverse. Apart from game collectibles and works of digital art, non-fungible tokens have a tremendous capacity to represent virtual-world property items and even become game-changers in the sports and fashion industries. Furthermore, considering the growing popularity and adoption of NFTs, it's evident that in the future other platforms apart from Ethereum will turn their focus towards NFT support.

Of course, NFT is still in its infancy, but its promise is already considerable and it gives creators benefits they have never seen before. That's why it's certain that more artists will eagerly enter the NFT sector in the not too distant future.

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