

ABSTRACT

There are several forms of Cryptocurrency that are found throughout the world. However, the most popular one is Bitcoin. Bitcoin itself was first introduced by Satoshi Nakamoto in an article he made in 2008. The concept of Bitcoin is to use a peer-to-peer system, where transactions occur directly from one party to another without going through an intermediary. Along with the growth of Bitcoin users in Indonesia, there is a problem arises, whether the improvement of the Bitcoin economy affects money supply in Indonesia.

The purpose of this study is to determine the effect of Bitcoin economy on money supply in Indonesia with volatility of Bitcoin as an intervening variable. The data that has been collected is then analyzed using the classic assumption test and t-test. The sample used in this study is the number of Bitcoin buying and selling service providers in Indonesia for the period January 2016 - June 2019, the price of Bitcoin in Indonesia for the period January 2016 - June 2019 and total money supply in Indonesia for the period January 2016 - June 2019. The results of the study shows that there is an economic influence of Bitcoin on the money supply in Indonesia.

Keyword: Cryptocurrency, Bitcoin, money supply in Indonesia