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A Study on Financial Analyst's Awareness of Blockchain Technology

Divya Koppolu[1], Vepa Sudha[2]

[1] Research Scholar, Department of Business Management, Osmania University

[2]Head of the Department, Department of Business Management, Osmania University

Abstract

Blockchain is in its birth stage like a trending technology and a bright efficient future has been provided to the financial services sector by the applications that will be used in almost any field. The paper explores whether or not the analysts in finance are aware of blockchain technology. Their knowledge in this area serves as the basis for evaluating the level of blockchain technology involvement in finance analysis and also for identifying the fields that may need training.

RehumanizeThe research employs a strategy to analyse not only the potential and the actual result of a large-scale survey. The research targets a small sample of financial analysts. It operates a questionnaire with the aim to measure their knowledge of key blockchain concepts, applications relevant to financial analysis, and perceived potential benefits and challenges.

The observations of this study will help to construct a more inclusive survey instrument which will be utilized in a future large-scale investigation. This research will yield important inputs regarding the knowledge of financial analysts concerning blockchain technology, which would allow us to study its effects on the financial industry more deeply.

Keywords: Financial Services, Financial Analysts, Blockchain Technology, Awareness, Study, Financial Analysis, Fintech

1. Introduction

Blockchain technology is impacting so many sectors, not only Finance. It's possible uses are from sending money across borders to making new financial instruments. Financial analysts are the main largest spenders of investments and market trends in terms of their expertise; thus, it is crucial to check their knowledge of blockchain. This research looks at how much financial analysts know about the technology behind blockchain.

1.1 BLOCKCHAIN

The blockchain mainly consists of blocks, chains, nodes, and master nodes. The blocks are the digital currencies as the governing authorities of the network. Adding new blocks to the blockchain is not an easy task creation of blocks is a tremendous effort; it involves solving many hurdles. This process can slow down the blockchain network because it has to tackle these complex problems. Since no single person generates the hash codes, it makes hacking or tampering extremely difficult. The blockchain operates without a central authority, with every participant holding their copy of the shared ledger. The blocks containing transaction data are linked together. Essentially, cryptocurrencies rely heavily on this blockchain framework to function.

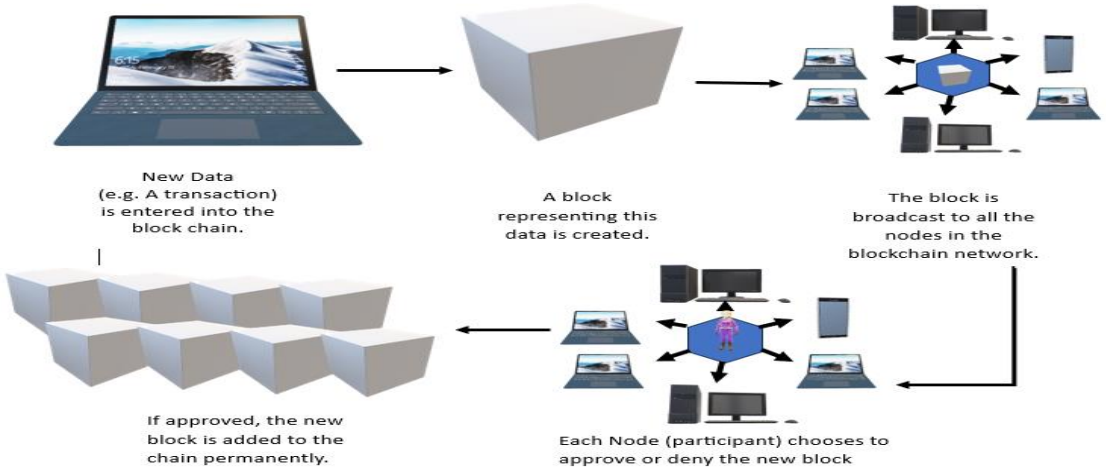


Figure 1: Process of Blockchain

2. Why This Study Matters/ Research Gap

Factual information, correct and current, is a must for an analyst in finance in order to decide on investments. The disruptive blockchain technology is set to take the financial sector by storm and will help those proficient analysts who are acquainted with its complexities. The objective of this research is to evaluate the extent of understanding that financial analysts have gained regarding blockchain technology. The outcomes will help to the creation of teaching materials and training programs.

3. Objectives of the Study

1. To gauge how familiar finance professionals currently are with blockchain technology and how well they understand it.
2. To examine the degree of financial analysts' proficiency in network and data analysis that pertains to blockchain.
3. Pinpoint the very sectors in blockchain technology as well as network and data analysis in which financial analysts are deficient.
4. Map out the most common problems or inaccurate ideas that arise regarding blockchain technology that financial analysts have.

5. Methodology

This study undertakes to test the large-scale feasibility of an online survey using the effectiveness of the approach as the basis. A financial analysts target sample will be selected for recruitment and a questionnaire will be administered to gather data.

Blockchain literacy: This involves the assessment of their understanding of distributed ledgers, consensus mechanisms, and smart contracts.

Blockchain applications pertinent to financial analysis awareness: The questionnaire will evaluate their knowledge of the areas where blockchain tech can be applicable such as trade finance, asset management, and regulatory compliance.

The purpose of our research is to analyze the analysts' perceptions regarding the expected pros and cons of blockchain technology adoption in the banking sector.

6. Significance of the Study

The findings from this study will be instrumental in refining the research methodology for a future large-scale investigation. This will involve:

- Identifying any problems with the questionnaire design.
- Assessing the response rate and participant demographics.
- Highlighting areas requiring further exploration in the larger study.

7. Expected Outcomes

This study will show the way for a comprehensive survey that will give a lot of information about the current position of financial analysts' knowledge of the blockchain technology. This research will give a clear image of the following:

1. The level of awareness among financial analysts with respect to blockchain technology.
2. The fields of analysts' education on the blockchain application that need to be improved.

Through pinpointing these aspects, the research can be the basis of the development of targeted educational programs and training initiatives. These programs will be aimed at equipping financial analysts with the necessary knowledge and skills to thrive in the blockchain-driven financial landscape that is becoming more and more of a reality.

8. LITERATURE REVIEW

8.1 Amrinder Singh et al (2023) This research concentrates about how blockchain technology can be used in the banking sector. And explains about benefits, drawbacks, opportunities, and risks associated with blockchain in the financial services sector.

8.2 Osmani, M. et al (2021) This study talks about the benefits, opportunities, costs, risks, and challenges of blockchain in the fields of banking and finance sectors. To achieve this, a comprehensive review of current literature and relevant academic research has been carried out. The findings explain that blockchain's adoption in banking and finance is not as advanced as it is in other industries.

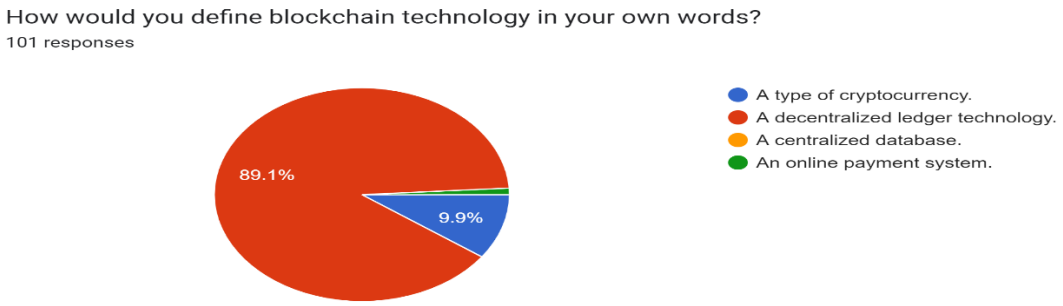
8.3 Tejal Shah, Shailak Jani (2018) A transformative digital technology is reshaping business models and emerging as a key global factor. In India, blockchain technology is attracting considerable attention across various sectors. As the range of blockchain applications expands, industry leaders are adapting and refining the technology to suit diverse use cases.

9. Data Analysis:

After Analysing the below questions the awareness of the finance professionals is as follows:

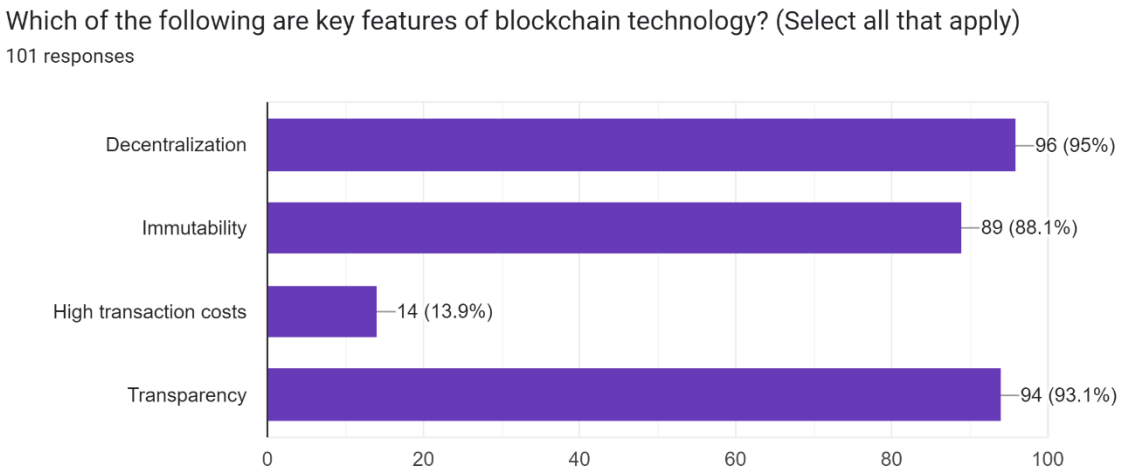
9.1 Basic Understanding on Blockchain

When a question is asked about the basic understanding of blockchain only 79 % of 100 finance professionals have a fair knowledge about blockchain. The graph is below



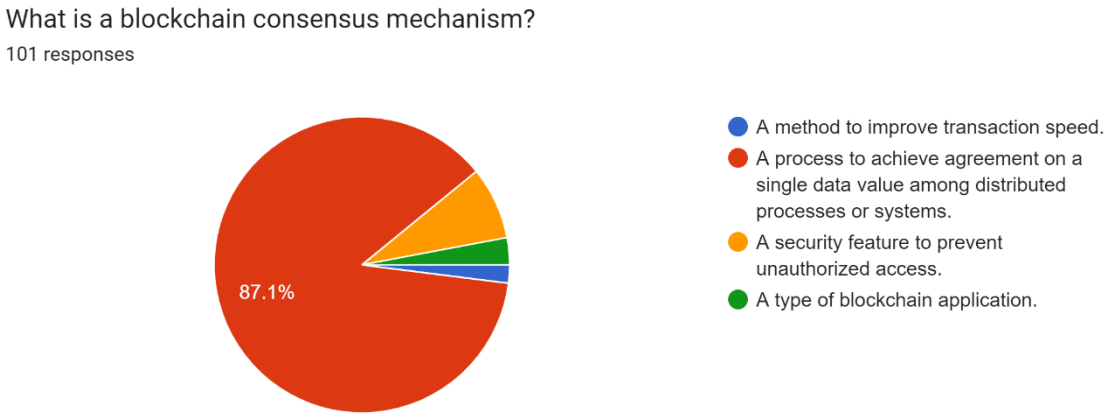
9.2 **Key Features of Blockchain:**

Out of 100 finance professionals, just 79% are aware of the key aspects of blockchain when questioned about them. Below is the graph.



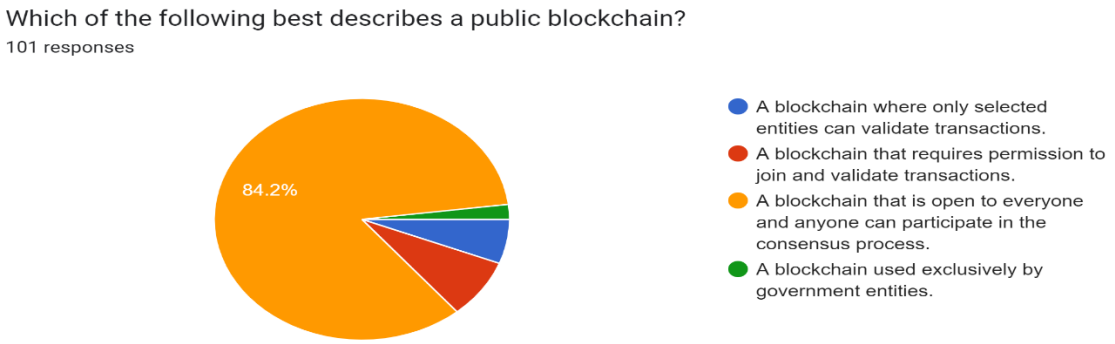
9.3 Knowledge of **Blockchain consensus mechanism**

When a question is asked about the Mechanism of blockchain only 79 % of 100 finance professionals have a fair knowledge about blockchain mechanisms. The graph is below



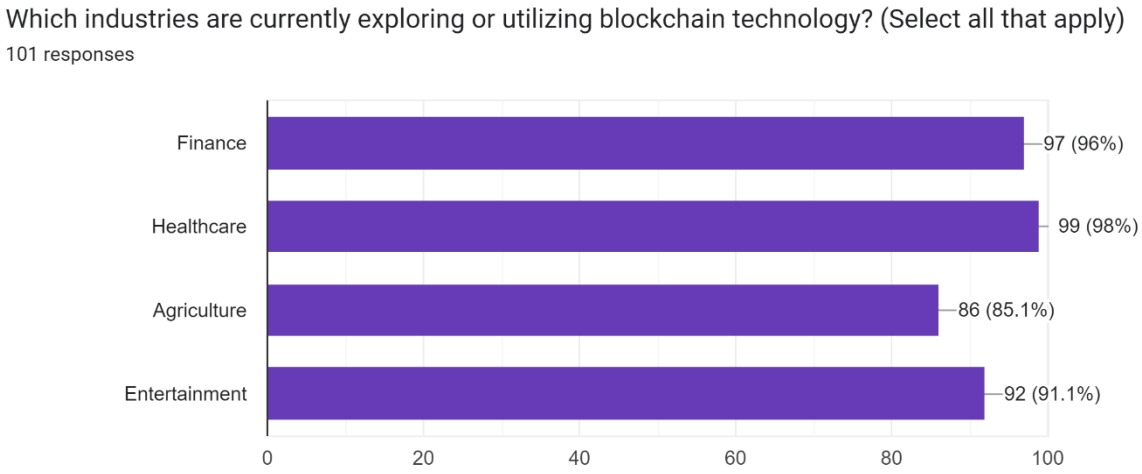
9.4 Types of Blockchain – Public Blockchain

Only 79% of the 100 finance professionals surveyed recognized knowledge about the public blockchain. The graph is shown below.



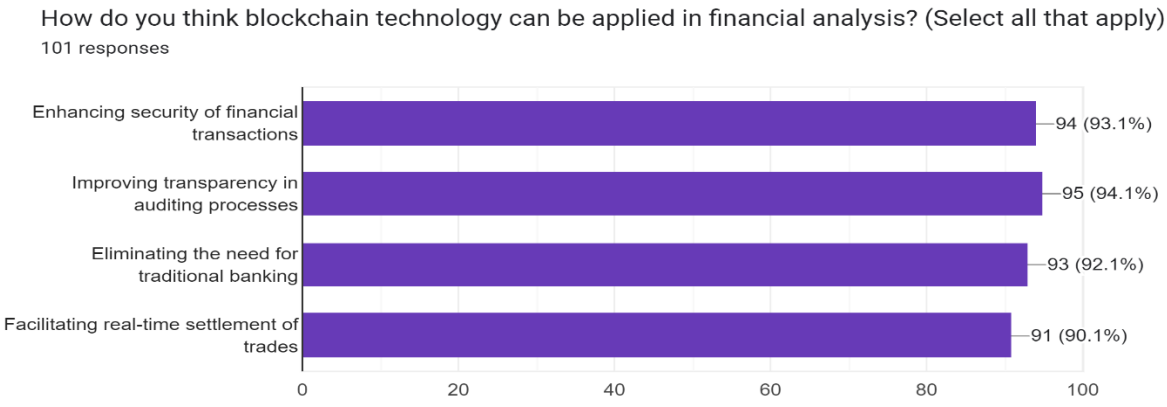
9.5 Industries are currently exploring or utilizing blockchain technology

When asked about Industries, 100 % of finance professionals answered correctly Graph is as follows:



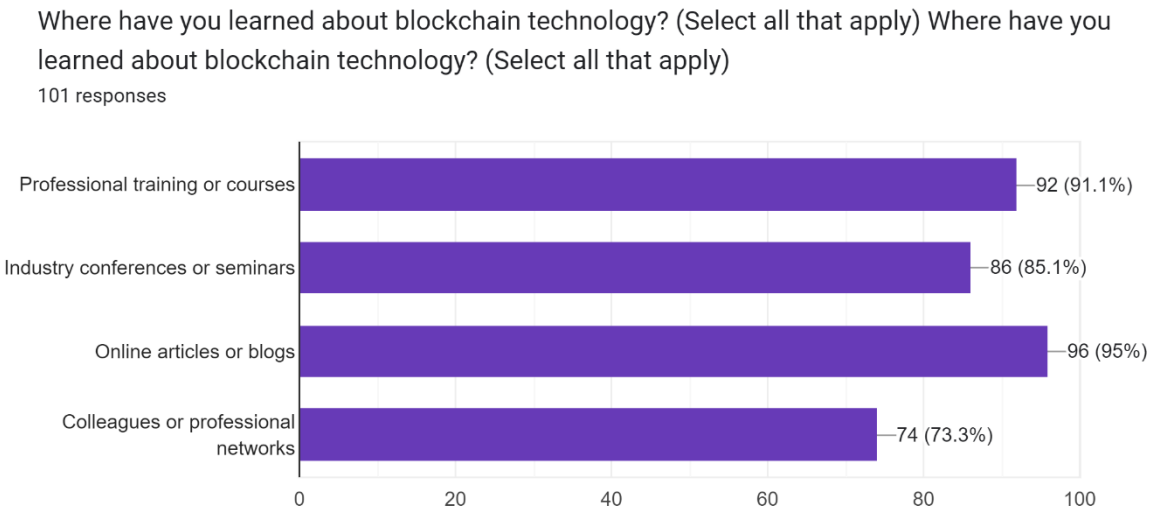
9.6 Financial Applications:

When asked about financial applications, 96 % of finance professionals answered correctly Graph is as follows:



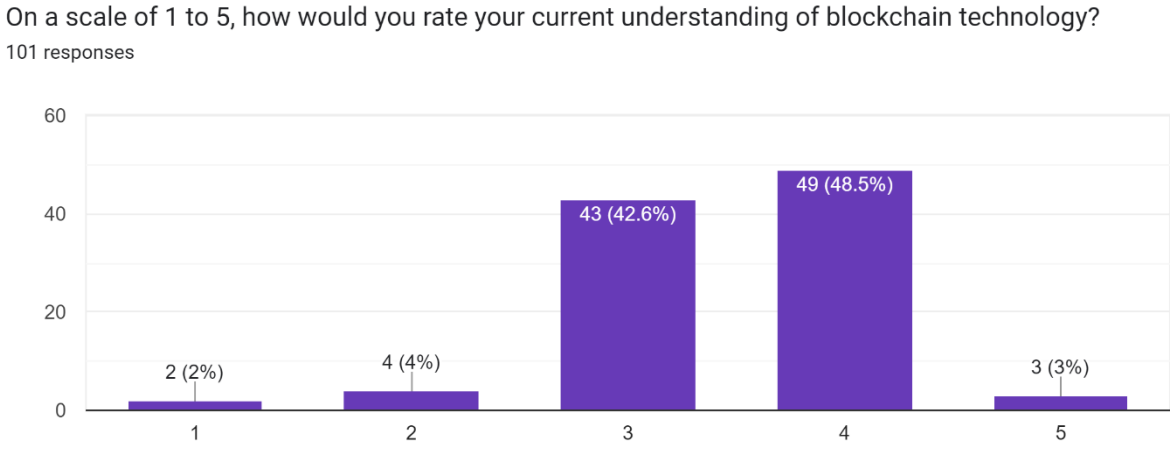
9.7 Knowledge Sources:

When asked about from where you have learned about Blockchain, Finance professionals informed that 80% said knowledge was through Professional training or courses and Online articles or blogs



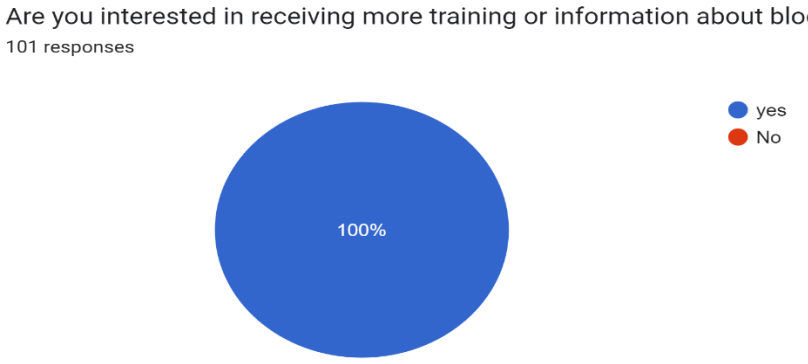
9.8 Self-Assessment:

When questioned about self-assessment the results are as follows



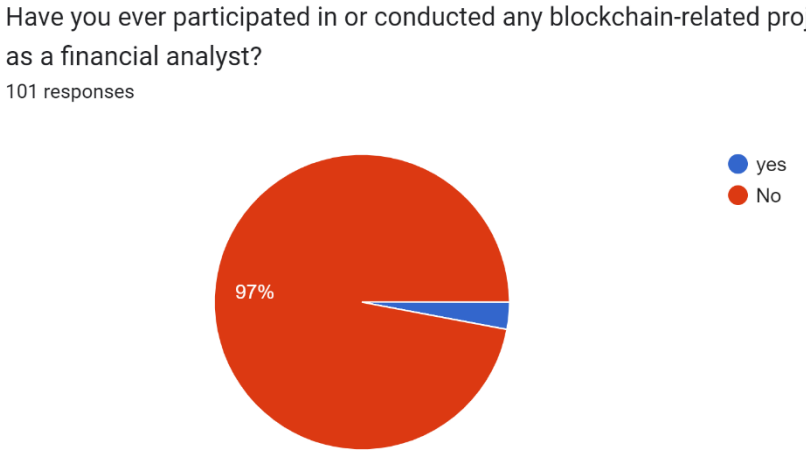
9.9 **Interest in Further Learning:**

When asked about Further Learning, 100 % of finance professionals answered they are curious to learn



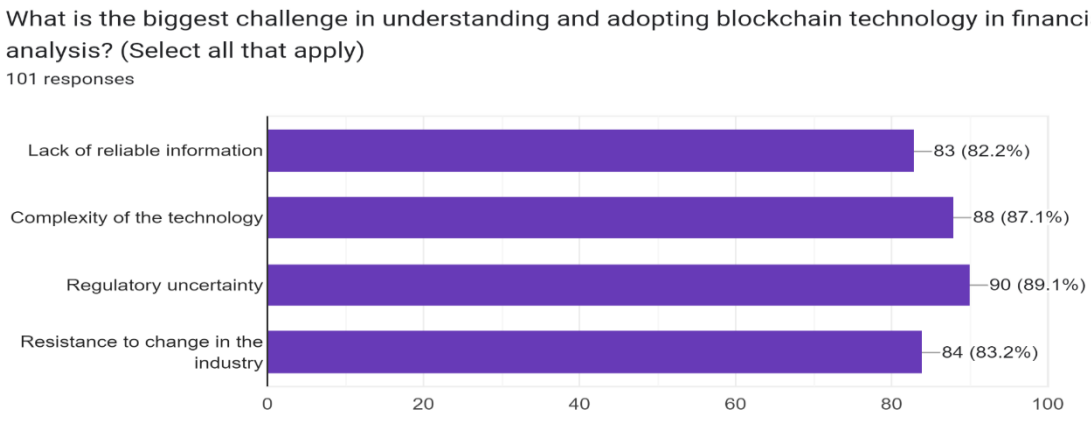
9.10 **Practical Knowledge:**

When questioned about Practical Knowledge, 1 % of finance professionals answered they have practical knowledge



9.11 Challenge in understanding and adopting blockchain

When questioned about the Challenge in understanding and adopting blockchain they answered as follows:



These questions are designed to analyse financial analysts' knowledge and understanding of blockchain technology, helping to identify areas where further education and training might be needed.

10. CONCLUSION

Block chain technology is disruptive and This study concludes by saying Overall it is said that only 3% have practical knowledge of blockchain and a lot of scope to learn. Approximately 80% of financials know about blockchain and lack practical experience. In Self-evaluation, Finance professionals have given 3 or 4 as the rating for themselves. There is a lot of scope for learning and implementation of blockchain.

11.REFERENCES

Sure! For a study on financial analysts' awareness of blockchain technology, you might want to include references that focus on both the intersection of blockchain technology and finance, as well as studies on professional awareness and adoption of new technologies. Here are some unique references that could be relevant:

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