



The Impact of Blockchain and Algorithm on FinTech

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Abstract

The dawn of the 21st century have witnessed the emergence of several technologies targeting the financial sector. The FinTech industry is gradually maturing and covers an array of financial services on the global economy (Laidroo, Koroleva et al. 2021). However, it is needless to state that FinTech is still at its early stage of development. This research explores and highlight the great profitability FinTech has on all asset class and the abundance it gives on the return on investment.

FinTech and Blockchain are prevalent topics among technology leaders in finance today. Algorithms govern the peer-to-peer decentralized network using machine_learning techniques. This is owed to the advancement in processor pace and ample data gives room to more financial analysis.

The FinTech factors are centered on data analysis which improves investors' forecasts and reduces equity uncertainty that invariably reduce the firm's cost of capital. When investors can process more data, firm investment costs drop, and this enables firms to grow bigger. FinTech factors cover a large scope of techniques, from data security to financial service deliveries, which are all embedded in blockchain, algorithm, machine learning and data engineering. The relevance FinTech has, have proven its accurate awareness and urgent demand for both academic and professional realism. Data-based evidence should be held to the same academic standards as the rest of the finance academic literature, so long as it provides useful advice to finance practitioners. Several authors have argued that irrespective of the unmatched increase on the return on investment this sector has recorded, the FinTech ecosystem still requires an enabling environment to explore its maximum potential (Jiao, Shahid et al. 2021). Regardless of its unmatched increase record on investment, the FinTech's ecosystem (financial technology) is still the major prerequisite to achieving its maximum profitability.

Introduction

One of the major beneficiaries of the fourth industrial revolution is FinTech. Irrespective of the unmatched increase in return on investment this sector has recorded, an enabling FinTech ecosystem is required to explore its maximum potential. Blockchain is a type of a distributed database that is used to replicate, share, and synchronize data spread across different geographical locations such as multiple sites, countries, or organizations (Perera, Nanayakkara et al. 2020). However, government find it challenging to adopt FinTech because of the borderless geographical space the technologies operate in. At this point, FinTech regulatory sandboxes are used to examine the innumerable sensitiveness of financial institutions (Fung, Lee et al. 2020). These technologies are based on machine learning algorithms, which is used for both the classification and analyzing the relationship between FinTech patents and technological performance.

Course Development

Financial technology is used in the field for various activities. Typically, these techniques are operated by the corporation that requires information technology-based service demanded by utilizing an application. Numerous matters, such as network attack security restrictions and privacy threat accounts, should not be left unattended. It incorporates a variety of state-of-the-art technologies such as mobile, embedded systems, mobile networks, mobile computing, cloud, big data, data analysis technology, and embedded cloud computing, including FinTech development (Meng, He et al. 2021). FinTech has developed into a trendy phase that depicts innovative technologies adopted by the financial service institutions.

Design and Implementation of FinTech

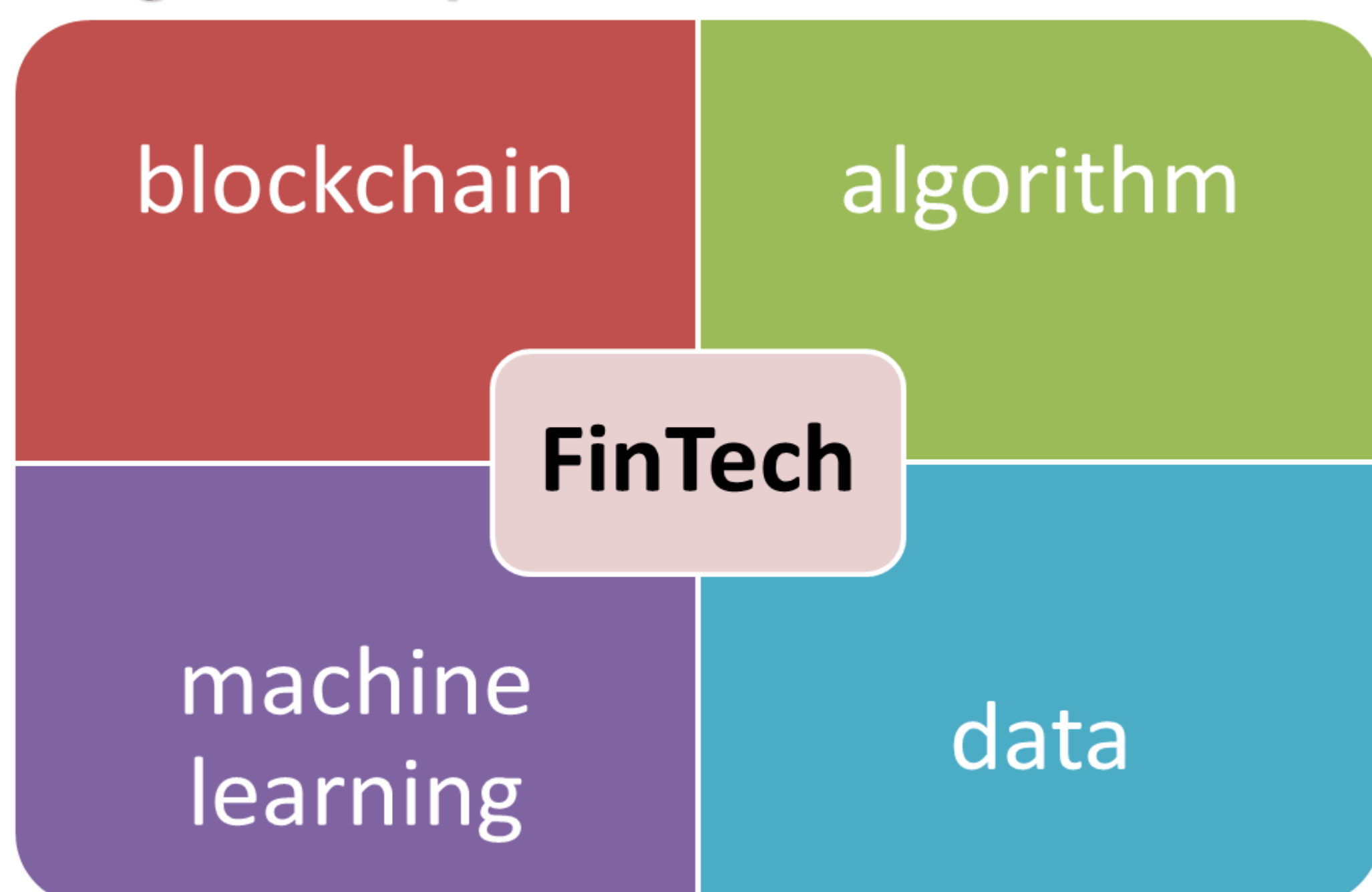


Figure: FinTech's factors

Conclusion

Several authors have carried out numerous investigations in the area of FinTech that have proven the accomplishment of the effective expectancy that generated a substantial relationship between financial services and technology (FinTech). It should however be noted that contrary to the well-instituted positions on FinTech, this sector in-spite of its accelerated growth based on the productive effect of blockchain on organization, is still shrouded in the unknown. This research aims to elaborate and shed light on the impact blockchain, and algorithms have on FinTech in a virtual world.

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