



THINK YOU KNOW NFTS?

1. Of the following, which is a correct statement?

- A** ☐ A used car is fungible
- B** ☐ A \$5 bill is fungible
- C** ☐ All cryptocurrency is non-fungible

Answer: B. A \$5 bill is fungible

Every \$5 bill is always going to be worth \$5, so it's fungible – meaning, it's "mutually interchangeable." Bitcoin (and other forms of crypto) is also fungible because each one is worth the exact same amount. A used car is non-fungible because no other car holds the exact same value, even one with the same make, model and number of miles.

2. What factors are most likely to influence the value of an NFT?

- A** ☐ The stock market
- B** ☐ The person who created or owned the NFT previously
- C** ☐ How many editions exist
- D** ☐ Both B and C

Answer: D. Both B and C

Supply and demand will generally dictate the price of an NFT, so if there's only one version and thousands of people want it, the price will be driven up because it's exclusive. Additionally, the social power of a celebrity, artist or other pop-culture icon can cause an increase in perceived value. (Who wouldn't want to own something of Golden Girls' Betty White, an American treasure?! Not that I've thought about it, of course ...)

3. It's easy to counterfeit an NFT.

- A** ☐ True
- B** ☐ False

Answer: B. False

NFTs are digitally authenticated as original assets (in this case, digital files) and are impossible to replicate because they each have their own unique, identifiable codes.

4. Which of the following could be sold as an NFT?

- A** ☐ A sports video of LeBron James dunking on an opponent
- B** ☐ A series of GIFs based on the Taco Bell menu
- C** ☐ An autographed selfie of Ellen DeGeneres holding a stick figure drawing of a cat
- D** ☐ All of the above

Answer: D. All of the above

Sounds crazy, but it's true. In fact, they all have been sold as NFTs! Basically, you're buying the ownership to a digital piece of "artwork" ... in one case, a digital print of comedy queen Ellen holding a hand-drawn figure of a cat. Because who doesn't want to pay hundreds of thousands to own that?