The aim of this research is to explore the soundness of money according to the Austrian economic school and how Bitcoin fulfils this concept. In the first part of the research, the requirements for a medium of exchange to become sound money are analysed. Afterwards, a definition of sound money according to the Austrian economic school is provided. Finally, the implications of sound money are analysed, according to its effects on time preference, prices and government. In the second part of the research, the different media of exchange are introduced, paying particular attention to the digital ones. Afterwards, a technical explanation of the Bitcoin is given, so as to understand the technology that makes it work. Finally, how Bitcoin fulfils the characteristics of sound money is explained, and a brief comparison with government money is also presented.