Blockchain Vs Cryptocurrency

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A blockchain is a decentralized ledger of all transactions across a peer-to-peer network, whereas cryptocurrency is a medium of exchange, created and stored electronically in the blockchain.

Basis of comparison	Blockchain	Cryptocurrency
Nature	A technology that records transactions	The tools used in the virtual exchanges
Use	Record transactions	Make payments, investments, storage of wealth
Value	Have no monetary value	Have monetary value
Mobility	Can’t be transferred	Can be transferred

Cryptocurrency - Bitcoin

Bitcoin is a globally known Cryptocurrency and Digital Payment System. It was the first Decentralized Digital Currency whose ledger is maintained by Blockchain, openly.

Bitcoin is an implementation of Blockchain distributed ledger technology and the transactions in Bitcoin Blockchain takes place directly between users, without an intermediary.

Bitcoin is open-source; the architecture is public which means nobody owns or regulate Bitcoin but everybody can participate in the network .

There are no physical Bitcoins, just balances stored on a public database that everyone has open access to, which is checked by a vast amount of processing power along with all Bitcoin transactions.

Bitcoins are not distributed or funded as an asset by any banks or govts.

Bitcoin Vs Govt.-Backed Currencies

Decentralized System: The control of Bitcoin is not under one central authority. The machines work together to mine this currency and process transactions which make up a part of the network, without causing a fiasco by any central authority.

Simple Setup Process: Banks usually make you go through a lot of processes to open an account. However, the configuration process of Cryptocurrency is straightforward and free.

Anonymous and Transparent Usage: Users can have many Bitcoin addresses without a link to any personal identifying information. However, it records every transaction in a large ledger format called Blockchain.

Meagre Transaction Fee: Bitcoin charges a minimal fee for transfers.

Fast Network Process: The payment process is quick in Bitcoin network.

Non-Refundable: Once sent, Bitcoins cannot be refunded.

Bitcoin as example

Who put the money in Bitcoin?

- No one
- The bitcoin value is created due to its enormous demand and the limited supply
- Let’s say if there exist only 100 golden color toy unicorns in this world and everybody wants it
- Then this 1 Unicorn can be worth millions of dollars
- We can technically trade using those golden toy unicorns
- This is precisely what is happening right now
- Bitcoin = Golden Unicorn Toy

Bitcoin Mining

The method of generating new bitcoins through solving a cryptographic puzzle is Bitcoin mining. Miners have to solve a complex computational math problem, known as Proof-of-Work. Bitcoin Mining requires massive amounts of energy and sophisticated computing rigs.

Miners earn bitcoin from verifying transactions. For this, they must verify 1 megabyte (MB) worth of transactions. More miners competing for a solution, more difficult the problem will become, and vice versa.

In order to preserve the database of transactions on which bitcoin is founded, bitcoin mining is needed.
Over the past few years, miners have become very sophisticated with complex equipment to speed up mining activities.

Bitcoin mining has two results. First, they obtain new bitcoin when computers solve these complicated math problems on the bitcoin network. And second, bitcoin miners render the bitcoin payment network trustworthy and safe through checking the transaction details by solving math problems.

Blockchain Council™

THANK YOU!

Any questions?

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community.blockchain-council.org

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