## **Assignment No: 3**

**Title of the Assignment:** Write a smart contract on a test network, for Bank account of a customer for following operations:

- Deposit money
- Withdraw Money
- Show balance

**Objective of the Assignment:** Students should be able to learn new technology such as metamask.Its application and implementations

## **Prerequisite:**

- 1. Basic knowledge of cryptocurrency
- 2. Basic knowledge of distributed computing concept
- 3. Working of blockchain.

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## **Contents for Theory:**

The contract will allow deposits from any account, and can be trusted to allow withdrawals only by accounts that have sufficient funds to cover the requested withdrawal.

This post assumes that you are comfortable with the ether-handling concepts introduced in our post, <u>Writing a Contract That Handles Ether.</u>

That post demonstrated how to restrict ether withdrawals to an "owner's" account. It did this by persistently storing the owner account's address, and then comparing it to the msg.sender value for any withdrawal attempt. Here's a slightly simplified version of that smart contract, which allows anybody to deposit money, but only allows the owner to make withdrawals: pragma solidity ^0.4.19;

```
contract TipJar {
  address owner;  // current owner of the contract
  function TipJar() public {
    owner = msg.sender;
  }
  function withdraw() public {
    require(owner == msg.sender);
    msg.sender.transfer(address(this).balance);
  }
  function deposit(uint256 amount) public payable {
    require(msg.value == amount);
  }
  function getBalance() public view returns (uint256) {
    return address(this).balance;
  }
```

I am going to generalize this contract to keep track of ether deposits based on the account address of the depositor, and then only allow that same account to make withdrawals of that ether. To do this, we need a way keep track of account balances for each depositing account—a mapping from accounts to balances. Fortunately, Solidity provides a ready-made mapping data type that can map account addresses to integers,

which will make this bookkeeping job quite simple. (This mapping structure is much more general key/value mapping than just addresses to integers, but that's all we need here.)

Here's the code to accept deposits and track account balances:

```
pragma solidity ^0.4.19;
contract Bank {
   mapping(address => uint256) public balanceOf; // balances, indexed by addresses
   function deposit(uint256 amount) public payable {
      require(msg.value == amount);
      balanceOf[msg.sender] += amount; // adjust the account's balance
   }
}
```

Here are the new concepts in the code above:

- mapping(address => uint256) public balanceOf; declares a persistent public variable, balanceOf, that is a mapping from account addresses to 256-bit unsigned integers. Those integers will represent the current balance of ether stored by the contract on behalf of the corresponding address.
- Mappings can be indexed just like arrays/lists/dictionaries/tables in most modern programming languages.
- The value of a missing mapping value is 0. Therefore, we can trust that the beginning balance for all account addresses will effectively be zero prior to the first deposit.

It's important to note that balanceOf keeps track of the ether balances assigned to each account, but it does not actually move any ether anywhere. The bank contract's ether balance is the sum of all the balances of all accounts—only balanceOf tracks how much of that is assigned to each account.

Note also that this contract doesn't need a constructor. There is no persistent state to initialize other than the balanceOf mapping, which already provides default values of 0.

Given the balanceOf mapping from account addresses to ether amounts, the remaining code for a fully-functional bank contract is pretty small. I'll simply add a withdrawal function:

## bank.sol

The code above demonstrates the following:

- The require(amount <= balances[msg.sender]) checks to make sure the sender has sufficient funds to cover the requested withdrawal. If not, then the transaction aborts without making any state changes or ether transfers.
- The balanceOf mapping must be updated to reflect the lowered residual amount after the withdrawal.
- The funds must be sent to the sender requesting the withdrawal.

In the withdraw() function above, it is very important to adjust balanceOf[msg.sender] **before** transferring ether to avoid an exploitable vulnerability. The reason is specific to smart contracts and the fact that a transfer to a smart contract executes code in that smart contract. (The essentials of Ethereum transactions are discussed in <a href="How Ethereum Transactions Work">How Ethereum Transactions Work</a>.)

Now, suppose that the code in withdraw() did not adjust balanceOf[msg.sender] before making the transfer *and* suppose that msg.sender was a malicious smart contract. Upon receiving the transfer—handled by msg.sender's fallback function—that malicious contract could initiate *another* withdrawal from the banking contract. When the banking contract handles this second withdrawal request, it would have already transferred ether for the original withdrawal, but it would not have an updated balance, so it would allow this second withdrawal!

This vulnerability is called a "reentrancy" bug because it happens when a smart contract invokes code in a different smart contract that then calls back into the original, thereby reentering the exploitable contract. For this reason, it's essential to always make sure a contract's internal state is fully updated before it potentially invokes code in another smart contract. (And, it's essential to remember that every transfer to a smart contract executes that contract's code.)

To avoid this sort of reentrancy bug, follow the "Checks-Effects-Interactions pattern" as <u>described in the Solidity documentation</u>. The withdraw() function above is an example of implementing this pattern

