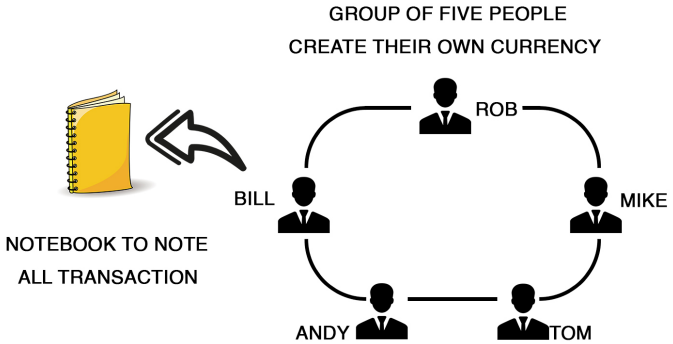
# Blockchain Solution

# How Blockchain Works?

- Let's imagine that five people in one room decided to make their currency. They need to know the flow of the funds. They appointed one person to track the flow of funds For our example Bill is tracking the flow of funds:



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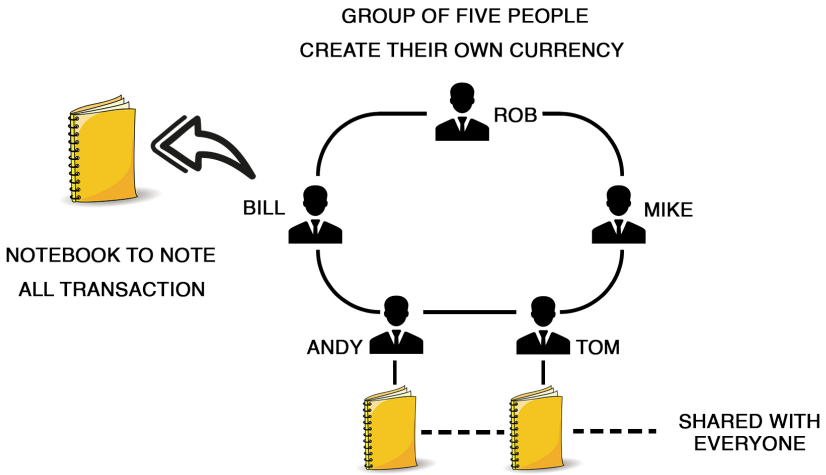
- After some time Bill decided to cheat the system by changing entries in notebook, so the group decided to share the notebook with everyone.



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- Now, to forge transactions, Bill would need to change all the notebooks.
- Sometime after, the group realized that there were too many transaction records and that he couldn't keep the diary like this forever. After reaching 10,000 transactions, they converted them to a one-page spreadsheet. Andy checked that all transactions are right.
- The group spread his spreadsheet diary over 10,000 computers located globally.
- These computers are called nodes. Every time a new transaction occurs, it has to be validated by the nodes.
- Once every node has received/checked a transaction there is a sort of electronic vote, as some nodes may think the transaction is valid and others believe it is a fraud.
- Now, if Bill changes one entry, all the other computers will have the original entries. They would not allow fraud entries to occur.

# Summarising

- This spreadsheet created in the example is called a block.
- The whole chain of blocks is collectively called as Blockchain. Every node holds a copy of the Blockchain. Once a block reaches a certain number of approved transactions, then a new block is formed.
- The Bitcoin Blockchain updates itself every ten minutes.
- As soon as the spreadsheet or ledger or registry is updated, it can no longer be changed. Thus, it’s impossible to forge it.

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# Thank You