

Mechanism of Blockchain Transaction



How a Blockchain Transaction Works?

- **Step 1**: A user creates a transaction from their wallet,, attempting to send currency or data to someone else.
- Step 2: The transaction is put across a 'pool of unconfirmed transactions'. This pool is a collection of unconfirmed transactions that are waiting to be processed by the miners.
- **Step 3**: Miners on the blockchain select transactions from these pools and form them into a 'block'. A block is basically a collection of transactions with some extra metadata. Every miner creates their own block. Multiple miners can put in the same transactions in their block.

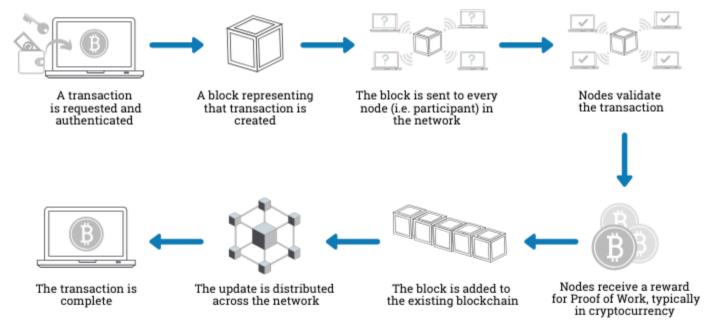


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- **Step 4**: Once the block is created, miners generates a block signature. This signature is created by solving a complex mathematical problem. Each block has a different mathematical problem as per the transactions.
- **Step 5**: The miner that finds a target signature for its block first, broadcasts this block and the signature to all the other miners.
- **Step 6**: Other miners verify the signature If it is valid, the other miners will confirm its validity and agree that the block can be added to the blockchain. This process is also termed as consensus.



How does a transaction get into the blockchain?

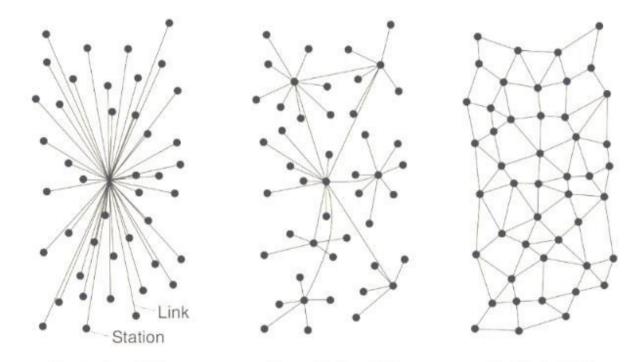


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