ASSIGNMENT 3 - BITCOIN SCRIPTING

CS 216 - INTRODUCTION TO BLOCKCHAIN

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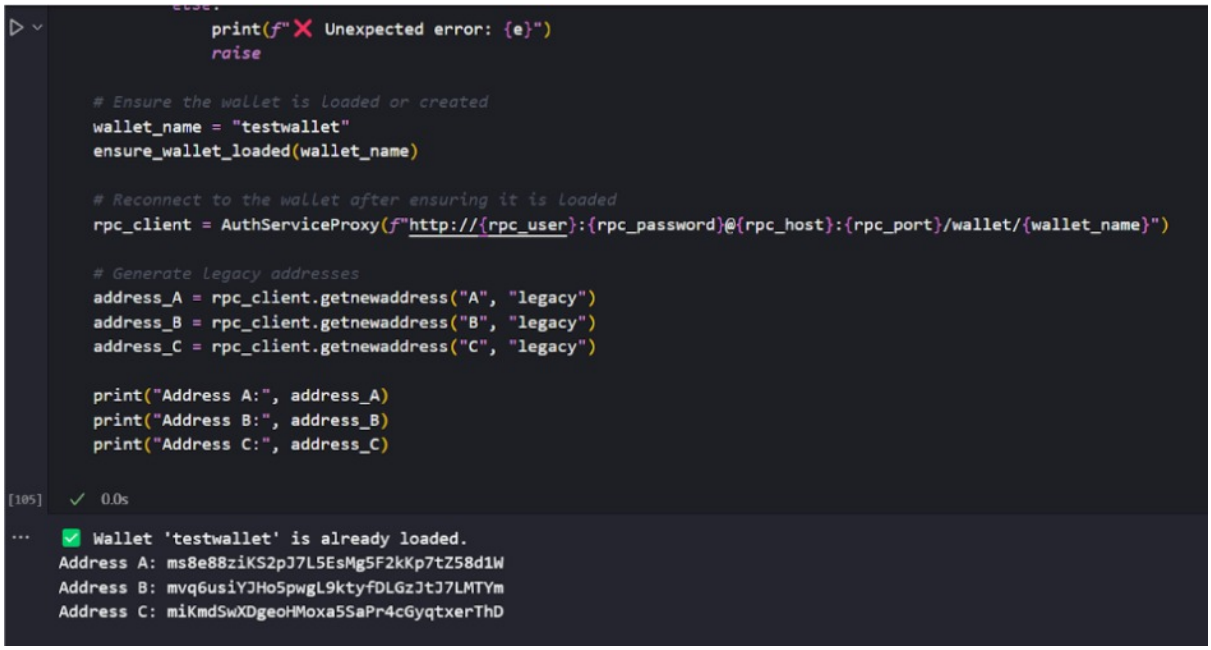
1 Legacy (P2PKH) Transactions

1.1 Workflow Description

Address Generation: Three legacy addresses A, B, and C were generated using `bitcoind`.

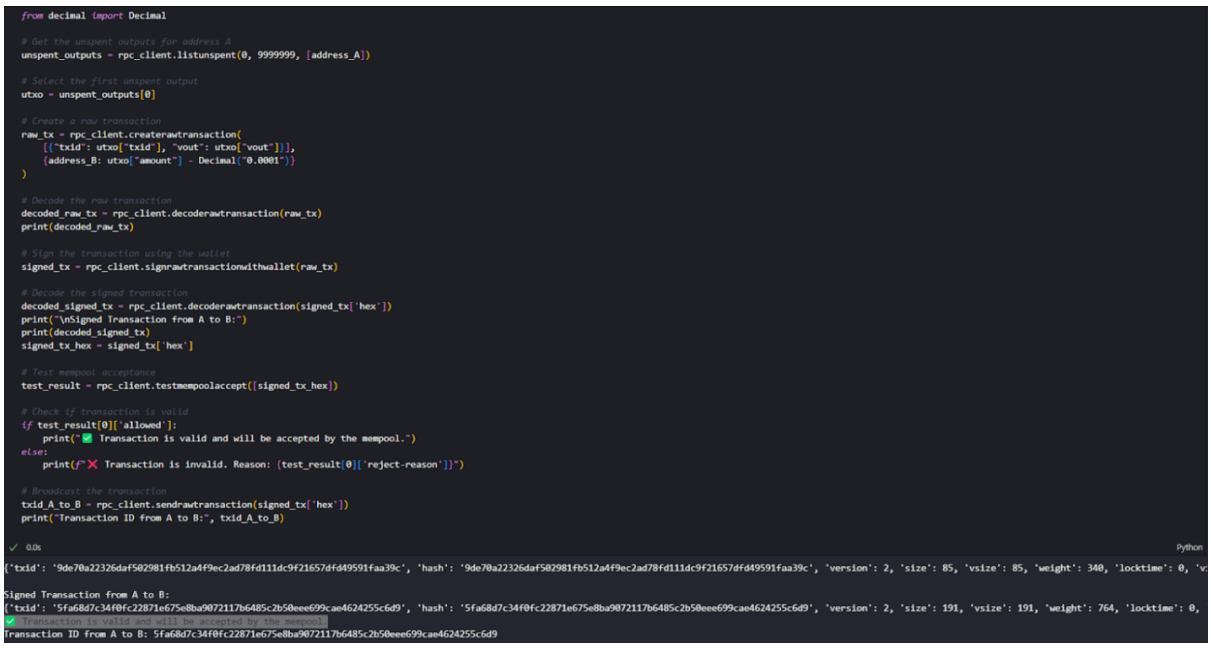
```
Address A: ms8e8zikKS2p7JL5EsMg5Fz8Tk7pZ58d1W
Address B: mvq6usiYJHo5pwgL9ktyfDLGzJtJ7LMTYm
Address C: miKmdSwXDgeoHMoxa5SaPr4cGyqtxerThD
```



Funding Address A: Address A was funded using the `sendtoaddress` command.

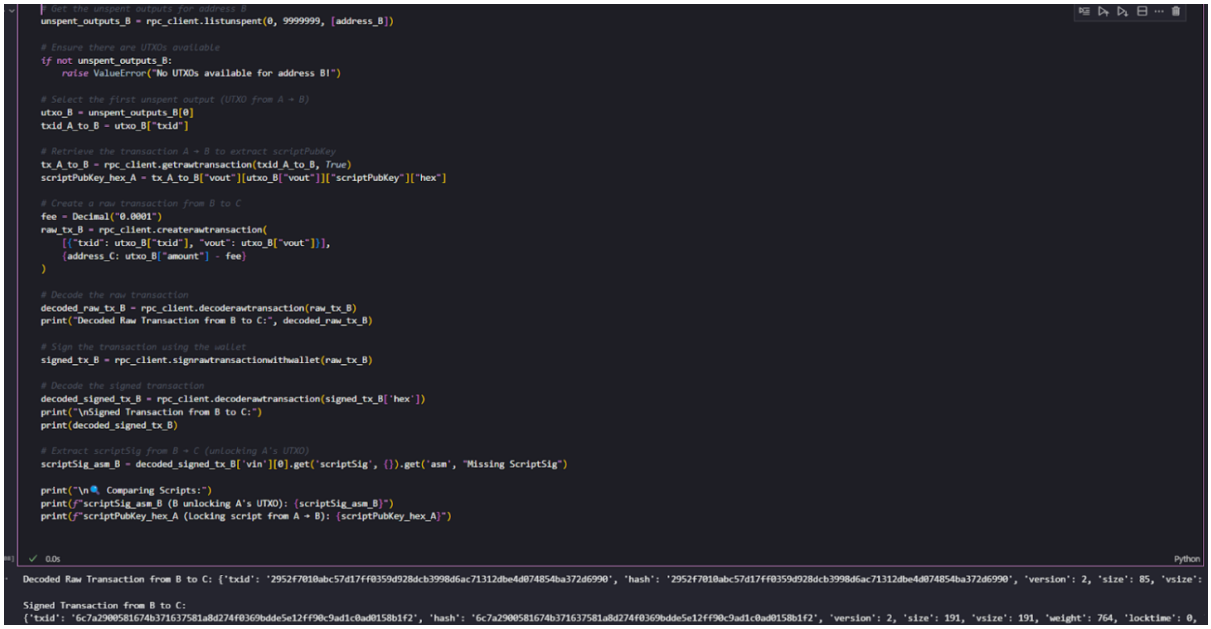
Transaction from A to B: A raw transaction was created from A to B, signed, and broadcasted.

```
Transaction ID from A to B:
     5fa68d7c34f0fc22871e675e8ba9072117b6485c2b50eee699cae4624255c6d9
```



Transaction from B to C: The UTXO from the previous transaction was used to create a transaction from B to C.

```
Transaction ID from B to C:
     6c7a2908581674b37163758f1a80274f06369bdde5e12ff09c9a1cd0ad01581f2
```



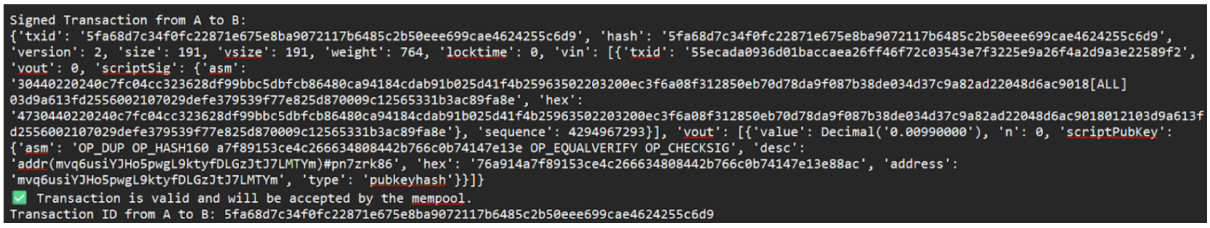
2 Decoded Scripts

2.1 ScriptPubKey for Address B

The locking script for address B was decoded to understand how it locks the output.

2.2 Signed Transaction from A to B


```
{
  "txid": "5fa68d7c34f0fc22871e675e8ba9072117b6485c2b50eee699cae4624255c6d9",
  "version": 2,
  "size": 191,
  "vsize": 191,
  "weight": 764,
  "locktime": 0,
  "vin": [
    {
      "txid": "55ecada0936d01baccaea26ff46f72c03543e7f3225e9a26f4a2d9a3e22589f2",
      "vout": 0,
      "scriptSig": {
        "asm": "3044... [ALL] 03d9...",
        "hex": "4730..."
      },
      "sequence": 4294967293
    }
  ],
  "vout": [
    {
      "value": 0.00990000,
      "n": 0,
      "scriptPubKey": {
        "asm": "OP_DUP OP_HASH160 a7f8... OP_CHECKSIG",
        "hex": "76a9...",
        "address": "mvq6usiYJHo5pwgL9ktyfDLGzJtJ7LMTYm",
        "type": "pubkeyhash"
      }
    }
  ]
}
```

2.3 ScriptSig for Transaction from B to C

The unlocking script was decoded to see how it unlocks the output.

2.4 Signed Transaction from B to C


```
{
  "txid": "6c7a2900581674b371637581a8d274f0369bdde5e12ff90c9ad1c0ad0158b1f2",
  "version": 2,
  "size": 191,
  "vsize": 191,
  "weight": 764,
  "locktime": 0,
  "vin": [
    {
      "txid": "5fa68d7c34f0fc22871e675e8ba9072117b6485c2b50eee699cae4624255c6d9",
      "vout": 0,
      "scriptSig": {
        "asm": "3044... [ALL] 02ce...",
        "hex": "4730..."
      },
      "sequence": 4294967293
    }
  ],
  "vout": [
    {
```

```
      "value": 0.00980000,
      "n": 0,
      "scriptPubKey": {
        "asm": "OP_DUP OP_HASH160 1eca... OP_CHECKSIG",
        "hex": "76a9...",
        "address": "miKmdSwXDgeoHMoxa5SaPr4cGyqtxerThD",
        "type": "pubkeyhash"
      }
    }
  ]
}
```



```
Signed Transaction from B to C:
{'txid': '6c7a2900581674b371637581a8d274f0369bdde5e12ff90c9ad1c0ad0158b1f2', 'hash': '6c7a2900581674b371637581a8d274f0369bdde5e12ff90c9ad1c0ad0158b1f2',
'version': 2, 'size': 191, 'vsize': 191, 'weight': 764, 'locktime': 0, 'vin': [{'txid': '5fa68d7c34f0fc22871e675e8ba9072117b6485c2b50eee699cae4624255c6d9',
'vout': 0, 'scriptSig': {'asm':
'304402207e4c9bdfffff8c9c6dd8057852dd9c09d3f741d8d46ec7e1861509c3ea3467e002200769bd391b61b031cb08efe1ee74deada3dc134b72138f7552154324ff013ebc[ALL]
02ce02b8e1626e3de26ef2a08811ffbe2d304c0f6980e4413700a477987cc12869', 'hex':
'47304402207e4c9bdfffff8c9c6dd8057852dd9c09d3f741d8d46ec7e1861509c3ea3467e002200769bd391b61b031cb08efe1ee74deada3dc134b72138f7552154324ff013ebc012102ce02b8e
1626e3de26ef2a08811ffbe2d304c0f6980e4413700a477987cc12869'}, 'sequence': 4294967293}], 'vout': [{'value': Decimal('0.00980000'), 'n': 0, 'scriptPubKey':
{'asm': 'OP_DUP OP_HASH160 1ecae6080de6340eab07e7eac61b25e22b272885 OP_EQUALVERIFY OP_CHECKSIG', 'desc': 'addr(miKmdSwXDgeoHMoxa5SaPr4cGyqtxerThD)#
3m26aq38', 'hex': '76a9141ecae6080de6340eab07e7eac61b25e22b27288588ac', 'address': 'miKmdSwXDgeoHMoxa5SaPr4cGyqtxerThD', 'type': 'pubkeyhash'}}]}
```


3 Script Analysis

3.1 Challenge and Response Scripts

To validate the transaction, Bitcoin uses a combination of two scripts: the Challenge Script (scriptPubKey) and the Response Script (scriptSig). The validation process ensures that only the rightful owner of the UTXO can spend it.

- **Challenge Script (scriptPubKey):** This script is embedded in the UTXO and specifies the conditions required to spend it.

  ```
  OP_DUP OP_HASH160 <Public Key Hash> OP_EQUALVERIFY OP_CHECKSIG
  ```

  Explanation:

  OP_DUP Duplicates the top item (the public key) on the stack.

  OP_HASH160 Applies the RIPEMD-160(SHA-256(public key)) hash function to the duplicated public key.

  Public Key Hash A 20-byte hash of the public key stored in the UTXO.

  OP_EQUALVERIFY Compares the computed hash with the stored Public Key Hash. If they do not match, the script fails.

  OP_CHECKSIG Verifies that the provided signature is valid for the given public key.

- **Response Script (scriptSig):** This script is included in the spending transaction and provides the necessary data to unlock the UTXO.

  ```
  <Signature> <Public Key>
  ```

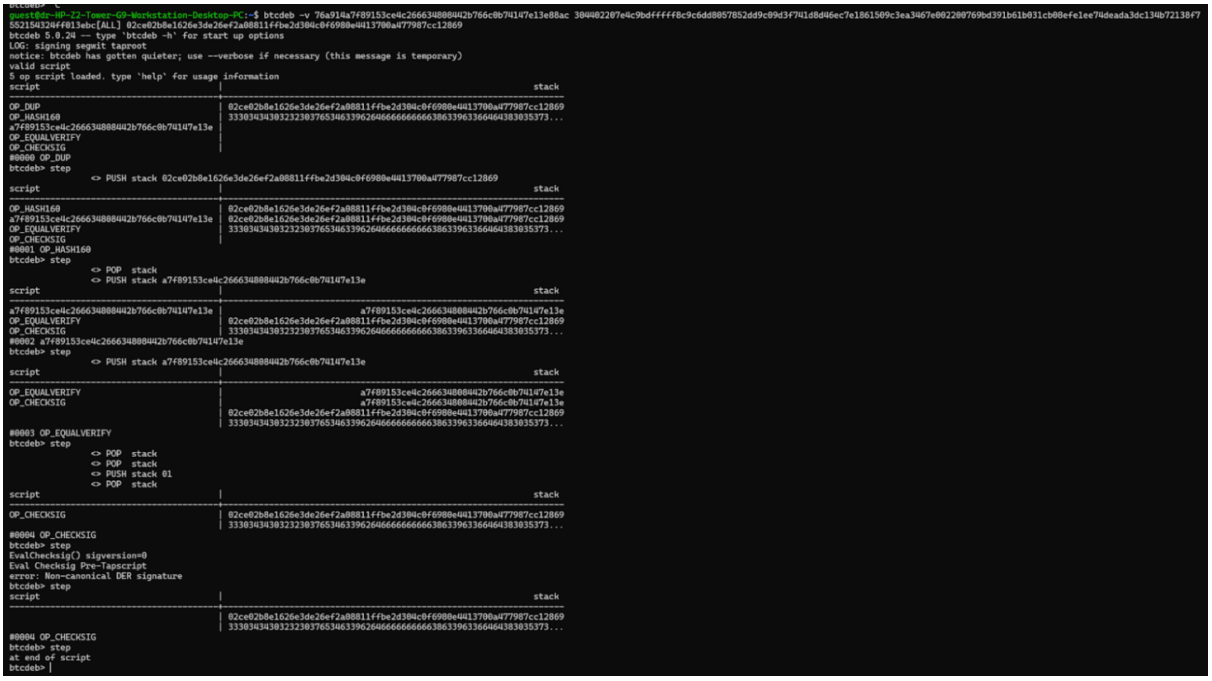
  The public key is pushed onto the stack, and the signature is used to authenticate the transaction.

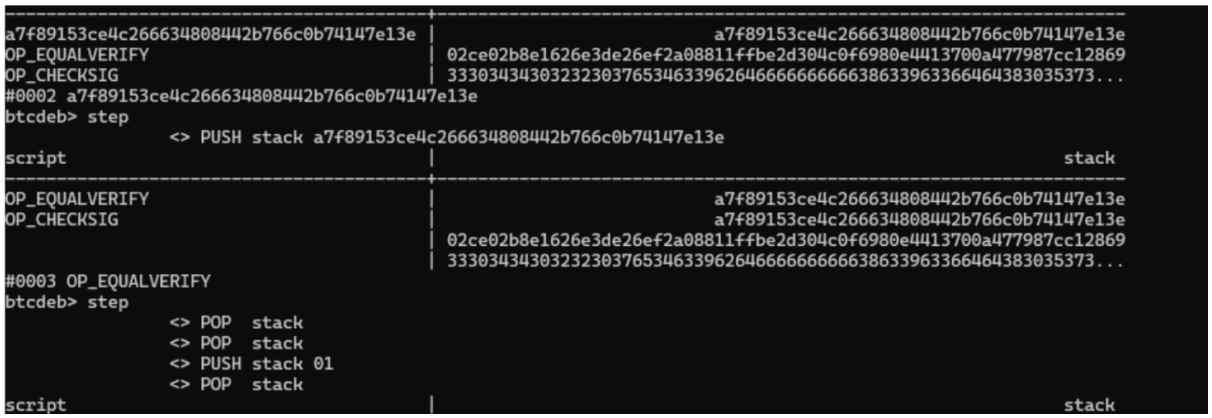
- **Validation Process:**

  1. The stack first receives `<Signature>` and `<Public Key>` from `scriptSig`.
  2. The `scriptPubKey` executes:
     (a) `OP_DUP` duplicates the public key.
     (b) `OP_HASH160` hashes the duplicated public key.
     (c) The result is compared to the stored `Public Key Hash` using `OP_EQUALVERIFY`. If they match, execution continues.
     (d) `OP_CHECKSIG` verifies that the provided signature is valid for the given public key and transaction details.
  3. The transaction is valid if all operations complete successfully without errors.

3.2 Bitcoin Debugger Execution

- The challenge and response scripts were executed in the Bitcoin Debugger.





4 SegWit (P2SH-P2WPKH) Transactions

4.1 Workflow Description

Address Generation: Three legacy addresses A, B, and C were generated using `bitcoind`.

```
Address A: 2N8Z1EwkA1jMy94qduycaXi118PiuGGsQLQ
Address B: 2N9jBHLYmuxoXVPNhMoX9B6nCzhWtgLR5fe
Address C: 2MwhJMmd9aLQuTrVaLYeHjobRBm3zggHjs3
```

```
print(f"Address A: {address_A}")
print(f"Address B: {address_B}")
print(f"Address C: {address_C}")
```

✓ 8.3s

```
Wallet 'CS216' is already loaded.
Address A: 2N8Z1EwkA1jMy94qduycaXi118PiuGGsQLQ
Address B: 2N9jBHLYmuxoXVPNhMoX9B6nCzhWtgLR5fe
Address C: 2MwhJMmd9aLQuTrVaLYeHjobRBm3zggHjs3
```

Transaction from A to B: The transaction ID for sending Bitcoin from Address A to Address B was obtained and used as an input for the next transaction.

```
Transaction ID from A to B:
     e24b55e6d4b9a323ca1b84894e4278bf9e8ed1f541125aba4a10b1bdb419dce0
```

```
signed_tx = rpc_client.signrawtransactionwithwallet(raw_tx)
decoded_tx = rpc_client.decoderawtransaction(signed_tx["hex"])
print("Decoded Transaction A -> B:", decoded_tx)
txid = rpc_client.sendrawtransaction(signed_tx["hex"])
print("Transaction ID A -> B:", txid)

# Get UTXO for Address B
unspent_outputs_B = rpc_client.listunspent(0, 9999999, [address_B])
if not unspent_outputs_B:
    raise ValueError("No UTXOs found for Address B.")

utxo_B = unspent_outputs_B[0]
amount_B = Decimal(str(utxo_B["amount"]))
```

[5] ✓ 0.9s Python

```
Decoded Transaction A -> B: {'txid': 'e24b55e6d4b9a323ca1b84894e4278bf9e8ed1f541125aba4a10b1bdb419dce0', 'hash': '24eb
Transaction ID A -> B: e24b55e6d4b9a323ca1b84894e4278bf9e8ed1f541125aba4a10b1bdb419dce0
```

Transaction from B to C: The UTXO from the transaction A to B was used as an input for the transaction from B to C.

```
# Create Transaction B -> C
raw_tx_B = rpc_client.createrawtransaction(
    [{"txid": utxo_B["txid"], "vout": utxo_B["vout"]}],
    {address_C: amount_B - Decimal("0.0001")}
)

signed_tx_B = rpc_client.signrawtransactionwithwallet(raw_tx_B)
decoded_tx_B = rpc_client.decoderawtransaction(signed_tx_B["hex"])
print("Decoded Transaction B -> C:", decoded_tx_B)
txid_B = rpc_client.sendrawtransaction(signed_tx_B["hex"])
print("Transaction ID B -> C:", txid_B)
```

[6] ✓ 0.8s Python

```
Decoded Transaction B -> C: {'txid': 'f2bdd1449ae7f8c4ecc91c4a3afb3f53f776abde8703606dec37242699c5f60a', 'hash': '5ff
Transaction ID B -> C: f2bdd1449ae7f8c4ecc91c4a3afb3f53f776abde8703606dec37242699c5f60a
```

4.2 Decoded Scripts

4.3 Signed Transaction from A to B

```
{
  "txid": "e24b55e6d4b9a323ca1b84894e4278bf9e8ed1f541125aba4a10b1bdb419dce0",
  "hash": "24eb46d849ab4103cb04191e5842bb2ea27ad5cfcb4f0cfba2889a25e0e9a2bc",
  "version": 2,
  "size": 215,
  "vsize": 134,
  "weight": 533,
  "locktime": 0,
  "vin": [
    {
      "txid": "0f062d0ced04d25c2c9d4d726027d1e6313020d5ab2cb72a69263d9557bfb286",
      "vout": 0,
      "scriptSig": {
        "asm": "00143e2000fc3f63e88972392d769b6b1b321d169865",
        "hex": "1600143e2000fc3f63e88972392d769b6b1b321d169865"
      },
      "txinwitness": [
        "3044022068183
            d30e406d7115c6d76bd05bb2dcc44d3c83c3876291610c384fd521739170220552eb211771fdee49b44607a631d
            ",
        "034c032633b9ce1f3f554e0f44da4f7be638182fb7d829d9cdd74fe3ee87ba378e"
      ],
      "sequence": 4294967293
    }
  ],
  "vout": [
    {
      "value": 0.00990000,
      "n": 0,
      "scriptPubKey": {
        "asm": "OP_HASH160 b4cb6690868781ea6bd0e36ef42ae205ae458f1d OP_EQUAL",
        "desc": "addr(2N9jBHLYmuxoXVPNhMoX9B6nCzhWtgLR5fe)#acrkg4lh",
        "hex": "a914b4cb6690868781ea6bd0e36ef42ae205ae458f1d87",
        "address": "2N9jBHLYmuxoXVPNhMoX9B6nCzhWtgLR5fe",
        "type": "scripthash"
      }
    }
  ]
}
```


4.4 Signed Transaction from B to C

```
Transaction ID from B to C:
     f2bdd1449ae7f8c4ecc91c4a3afb3f53f776abde8703606dec37242699c5f60a
     \subsection{Decoded Transaction B $
ightarrow$ C}

The following is the decoded transaction from B to C:

\begin{lstlisting}
{
  "txid": "f2bdd1449ae7f8c4ecc91c4a3afb3f53f776abde8703606dec37242699c5f60a",
  "hash": "5ff30609d496aa8dcf6319818966fb51e1c44c80c9b131988bd46bab0772f7e5",
  "version": 2,
  "size": 215,
  "vsize": 134,
  "weight": 533,
  "locktime": 0,
  "vin": [
    {
      "txid": "e24b55e6d4b9a323ca1b84894e4278bf9e8ed1f541125aba4a10b1bdb419dce0",
      "vout": 0,
      "scriptSig": {
        "asm": "0014345d301aed4f75d42447639d275ae80279f8a0f5",
        "hex": "160014345d301aed4f75d42447639d275ae80279f8a0f5"
      },
      "txinwitness": [
        "304402204
            b324a3740e72cb8c015a2b07fac722312b10fd18b948c97ebc97c2ca98a35a40220411769bfb7368a03d0252e59
            ",
```

```
        "0379f1b04400212166c1de756142ddafcec54e620b9e5f48fb4d2624e4d0d9e5f0"
      ],
      "sequence": 4294967293
    }
  ],
  "vout": [
    {
      "value": 0.00980000,
      "n": 0,
      "scriptPubKey": {
        "asm": "OP_HASH160 30cef766bd8ddd8da28ef91a3744b48b437ccfb0 OP_EQUAL",
        "desc": "addr(2MwhJMmd9aLQuTrVaLYeHjobRBm3zggHjs3)#a9lkj277",
        "hex": "a91430cef766bd8ddd8da28ef91a3744b48b437ccfb087",
        "address": "2MwhJMmd9aLQuTrVaLYeHjobRBm3zggHjs3",
        "type": "scripthash"
      }
    }
  ]
}
```


4.5 Script Analysis

Bitcoin uses two components for script validation:

- **Challenge Script (scriptPubKey)**: This defines the locking condition that must be met to spend the output.

```
OP_HASH160 <Redeem Script Hash> OP_EQUAL
```

- **Response Script (scriptSig and Witness)**: This provides the unlocking data required to satisfy the scriptPubKey.

```
Witness: <Signature> <Public Key>
ScriptSig: <Redeem Script>
```

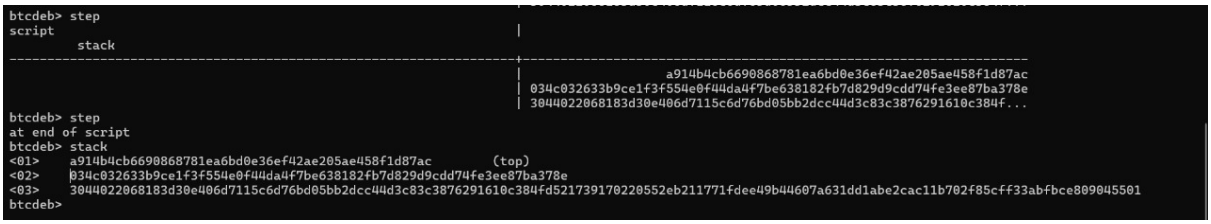
- **Validation Process:**

  1. The scriptSig pushes the Redeem Script onto the stack.
  2. The scriptPubKey verifies that the Redeem Script matches the expected hash.
  3. The SegWit execution process evaluates the Witness stack:
     (a) The public key is pushed onto the stack.
     (b) The signature is verified using OP_CHECKSIG.
  4. If all conditions pass, the transaction is valid.

4.6 Bitcoin Debugger Execution

- The challenge and response scripts were executed in the Bitcoin Debugger.
- Screenshots of the execution steps are attached, showing the script validation process.

4.6.1 Transaction from A to B



4.6.2 Transaction from B to C