# **Reem ALQahtani**

# Bitcoin Whitepaper

1. **What problem did Bitcoin solve? How important is the invention of Bitcoin?**

The main problem that bitcoin solved was the problem of trust, since we all know for any business transaction occur and for any record to be valid, there must be trust. By using the blockchain technology we ensure that parties can securely exchange value and perform and verify the transactions without the need for a third party. Also, it has several benefits, such as:

* low transaction fees and speedier processing, compared to transactions conducted with fiat currencies.
* It is very useful for international transfers.
* store value during a financial crisis.
* Benefit people who don’t have bank account.

1. **How would you explain a blockchain to someone who doesn't know what it is?**

Blockchain allows consumers and suppliers to connect directly, removing the need for a third party. It is providing a decentralized database, or “digital ledger”, of transactions that everyone on the network can see. This network is essentially a chain of computers that must all approve an exchange before it can be verified and recorded.

1. **Do you think Bitcoin could one day be a world reserve currency? Why or why not?**

I think that People from all countries are using Bitcoin, what cannot be said for any other currency. But in order to be a world reserve currency, people should have strong confidence and belief on this new currency, then it is like gold in some degree because the total amount is limited. but it has some disadvantages that might be solved in the future like:

* It has limited capability to handle large amounts of transaction data on its platform in a short span of time (blocks in the Bitcoin [blockchain](https://en.wikipedia.org/wiki/Bitcoin#Blockchain) are limited in size and frequency).
* In order for a financial object to fulfil the role of reserve currency, it must be a medium of exchange. Bitcoin cannot fulfil that role.