

Blockchain

Blockchain

Proof of Work:

Proof of Work and the 51 Attack:

Proof of Work System

- A system that requires miners to do computational work to add blocks.
- Any peer can replace the blockchain.
- The proof-of-work makes it expensive to generate corrupt chains.
- Manageable to submit one block, unproductive to generate an entire chain.

Proof of Work System

- Hashcash was a proof-of-work system to prevent email spamming.

Difficulty = 6

Hash = 000000haxi2910jasdfk

- Generate hashes until a one with the matching leading 0's is found.
- A "nonce" value adjusts in order to generate new hashes.
- This computational work is "mining."

Proof of Work System

- The difficulty sets a rate of mining.
- Bitcoin sets the rate to a new block around every 10 minutes.

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51% Attack

- A dishonest miner has more than at least 51% of the network's power.
- A 51% attack for bitcoin would be more than \$6 billion (start of 2018).

Proof of Work and the Nonce:

```
const DIFFICULTY = 4;
```

```
Blockchain > JS block.js > Block
9         this.lastHash = lastHash;
10        this.hash = hash;
11        this.data = data;
12        this.nonce = nonce;
13    }
14
```

```
Blockchain > JS block.js >  Block
18     lastHash: `${this.lastHash}`,
19     Hash: `${this.hash.substr(0, 24)}`,
20     Nonce: `${this.nonce}`;
21     Data: `${this.data}`;

```

```
Blockchain > JS block.js > Block
22     }
23
24     static genesis(){
25         return new this('Genesis time', '-----', 'f1r57-h45h',[],0);
26     }
```

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Blockchain > JS block.js > Block

```
31     let nonce = 0;
32     do{
33         nonce++;
34         timestamp = Date.now();
35         hash = Block.hash(timestamp, lastHash, data, nonce);
36
37
38     } while(hash.substring(0, DIFFICULTY) !== '0'.repeat(DIFFICULTY))
39
40
41
42     return new this(timestamp, lastHash, hash, data, nonce);
43
44 }
```

```
    return new this(timestamp, lastHash, hash, data, nonce);
}

static hash(timestamp, lastHash, data, nonce){
    return SHA256(`${timestamp}${lastHash}${data} ${nonce}`).toString();
}

static blockHash(block){
    const {timestamp, lastHash, data, nonce} = block;
    return Block.hash(timestamp, lastHash, data, nonce);
}
}
```

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Test the Nonce Functionality

```
JS config.js > ...
```

```
1  const DIFFICULTY = 4;  
2  
3  module.exports = {DIFFICULTY};
```

```
const { DIFFICULTY } = require('../config');
```

```
Blockchain > JS block.test.js > ...
```

```
26  
27  
28  if('generates a hash that matches the difficulty', ()=>{  
29    expect(block.hash.substring(0, DIFFICULTY)).toEqual('0'.repeat(DIFFICULTY));  
30  }  
31  });  
32  });
```

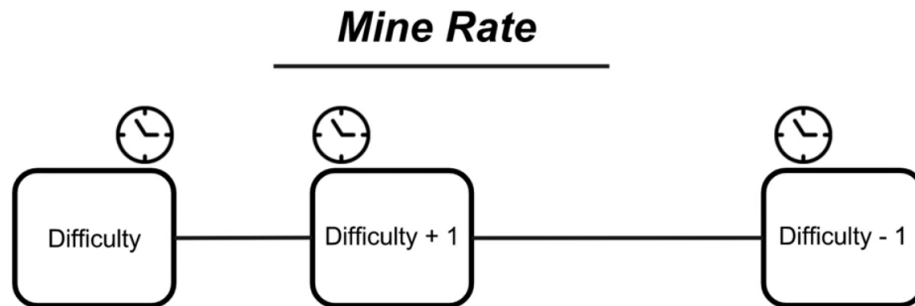
```
Blockchain > JS block.test.js > describe('Block') callback
```

```
25  });  
26  
27  
28  if('generates a hash that matches the difficulty', ()=>{  
29    expect(block.hash.substring(0, DIFFICULTY)).toEqual('0'.repeat(DIFFICULTY));  
30    console.log(block.toString());  
31  }  
32  });  
33  });
```

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Dynamic Block Difficulty:

Dynamic Block Difficulty



```
PASS project/Build the Blockchain/block.test.js
PASS project/Develop the Blockchain Application/Blockchain/block.test.js
PASS project/Create the Blockchain Network/Blockchain/block.test.js
PASS project/Build the Blockchain - the Chain/block.test.js

RUNS Blockchain/index.test.js
RUNS Blockchain/block.test.js

Test Suites: 7 passed, 7 of 9 total
Tests:       21 passed, 21 total
Snapshots:   0 total
Time:        209 s
```

JS config.js > ...

```
1  const DIFFICULTY = 4;
2
3  const MINE_RATE = 3000;
4
5  module.exports = { DIFFICULTY, MINE_RATE};
```

```
const { DIFFICULTY, MINE_RATE } = require('../config');
```

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```
chain > JS block.js > [SHA256]
class Block
class Block {
  constructor(timestamp, lastHash, hash, data, nonce, difficulty){
    this.timestamp = timestamp;
    this.lastHash = lastHash;
    this.hash = hash;
    this.data = data;
    this.nonce = nonce;
    this.difficulty = difficulty || DIFFICULTY;
  }
}
```

```
Blockchain > JS block.js > [SHA256]
15
16   toString(){
17     return `Block -
18       Timestamp: ${this.timestamp}
19       Last Hash: ${this.lastHash.substring(0,10)}
20       Hash: ${this.hash.substring(0,10)}
21       Nonce: ${this.nonce};
22       Difficulty: ${this.difficulty}
23       Data: ${this.data}`;
24   }
```

```
Blockchain > JS block.js > [SHA256]
25   (method) Block.genesis(): Block
26   static genesis(){
27     return new this('Genesis time', '-----', 'f1r57-h45h', [], 0, DIFFICULTY);
28   }
29
```

Blockchain

Blockchain > JS block.js > SHA256

```
30     static mineBlock(lastBlock, data){
31         let hash, timestamp;
32         const lastHash = lastBlock.hash;
33         let {difficulty} =lastBlock;
34         let nonce = 0;
35         do{
36             nonce++;
37             timestamp = Date.now();
38             difficulty = Block.adjustDifficulty(lastBlock, timestamp);
39             hash = Block.hash(timestamp, lastHash, data, nonce, difficulty);
40
41
42         } while(hash.substring(0, difficulty) !== '0'.repeat(difficulty));
43
44
45
46         return new this(timestamp, lastHash, hash, data, nonce, difficulty);
47
48     }
```

Blockchain > JS block.js > Block > mineBlock

```
59
60     static adjustDifficulty(lastBlock, currentTime){
61         let {difficulty} = lastBlock;
62         difficulty = lastBlock.timestamp +MINE_RATE > currentTime ? difficulty +1 : difficulty -1;
63         return difficulty;
64     }
65 }
```


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Test Difficulty Adjustment:

```
PASS project/Build the Blockchain/block.test.js
PASS project/Build the Blockchain - the Chain/block.test.js
PASS Blockchain/block.test.js
  • Console

    console.log
      Block -
        Timestamp: 1661942040073
        Last Hash: f1r57-h45h
        Hash: 0007ade38d
        Nonce: 3153;
        Difficulty: 3
        Data: bar

    at Object.log (Blockchain/block.test.js:31:17)

PASS project/Create the Blockchain Network/Blockchain/block.test.js
PASS project/Develop the Blockchain Application/Blockchain/block.test.js

Test Suites: 9 passed, 9 total
Tests:       28 passed, 28 total
Snapshots:   0 total
Time:        1.836 s, estimated 2 s
Ran all test suites.

Watch Usage: Press w to show more.
```

Blockchain > JS block.test.js > describe('Block') callback

```
27
28
29   it('generates a hash that matches the difficulty', ()=>{
30     expect(block.hash.substring(0, block.difficulty)).toEqual('0'.repeat(block.difficulty));
31     console.log(block.toString());
32
33   });|
34
35   it('lowers the difficulty for slowly mined blocks', () =>{
36
37     expect(Block.adjustDifficulty(block, block.timestamp + 360000)).toEqual(block.difficulty -1);
38
39   });
40
```

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JS index.js > ...

```
12
13   const Blockchain = require('./blockchain');
14
15   const bc = new Blockchain();
16
17   for (let i = 0; i < 10; i++){
18     console.log(bc.addBlock(`foo ${i}`).toString());
19   }
20
```

```
[Function: toString]
[Function: toString]
[Function: toString]
[Function: toString]
[nodemon] clean exit - waiting for changes before restart
[nodemon] restarting due to changes...
[nodemon] starting `node index.js`
Block -
  Timestamp: 1661942597592
  Last Hash: f1r57-h45h
  Hash: 0005d317b5
  Nonce: 5832;
  Difficulty: 3
  Data: foo 0
Block -
  Timestamp: 1661942597996
  Last Hash: 0005d317b5
  Hash: 000091cd16
  Nonce: 61810;
  Difficulty: 4
  Data: foo 1
Block -
  Timestamp: 1661942599618
  Last Hash: 000091cd16
  Hash: 000009c032
  Nonce: 212555;
  Difficulty: 5
  Data: foo 2
Block -
  Timestamp: 1661942602910
  Last Hash: 000009c032
  Hash: 0000fc360e
  Nonce: 518157;
  Difficulty: 4
  Data: foo 3
Block -
  Timestamp: 1661942605358
  Last Hash: 0000fc360e
```

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