BLOCKCHAIN DECODED

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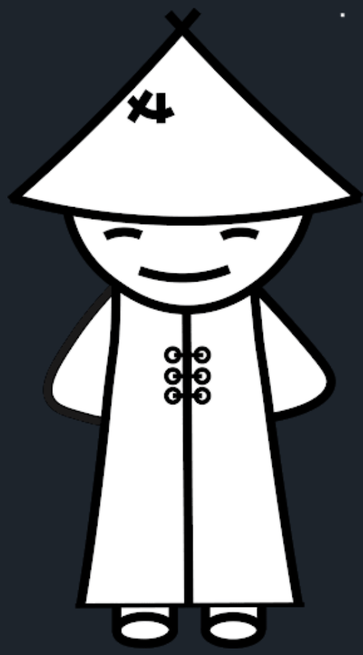


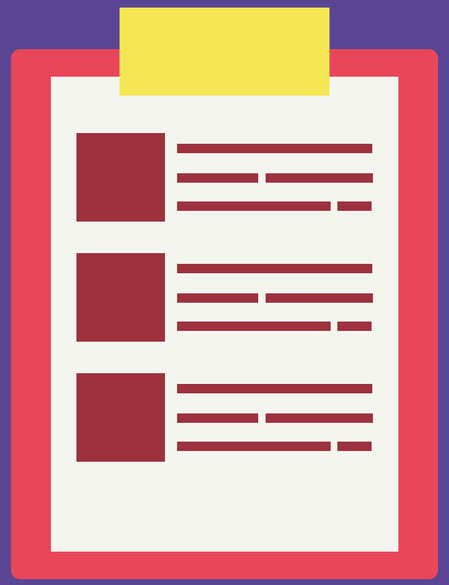
Understanding Blockchain

Let us suppose you have a group of
7 friends who love to read books!

One day, your friend, Adam went on to exchange a book
with another friend, Sanya.

Sanya records this transaction online using her
mobile and stores this on a database

Since this database is online, you and the rest of your friends can view
this transaction using your mobiles or computers



This kind of entry makes it safe and transparent

No one can violate/tamper with the records because it is visible to all of your friends. If someone tries to modify anything, everyone is immediately notified

WHY IS SUCH A NETWORK SO VALUED?

YOU CAN ADD MORE PEOPLE ON YOUR NETWORK

- LET'S SAY SANYA READS THE MOST NUMBER OF BOOKS. SHE IS NOW ALLOWED TO ADD ONE MORE PERSON IN THE GROUP
- IN THIS WAY, THESE BOOKS ARE SO VALUABLE BECAUSE THERE IS ALWAYS A COMPETITION FOR WHO DECIDES TO ADD MORE TYPE OF BOOKS IN THE NETWORK

What happens when you lose a book?

- Your record is clearly maintained in the database
- You are not allowed to transact for a limited time as a penalty

UNDERSTANDING THE TOPIC DEEPER

- Blockchain Technology was first introduced on a research paper by a Japanese coder named Satoshi Nakamoto
- Blockchain is a database that is shared across a host of computers. This database consists of three parts: the record, the block and the chain.
- Step 1: A transaction is recorded between two parties
- Step 2: The record is checked by the network of computers. These are called 'nodes' and they check the validation of each record. A record is simply not accepted if there a consensus is not reached among these 'nodes'
- Step 3: The record is inserted into the block finally after the nodes have validated its entry. Each block has a unique code called a hash that also contains a hash of the previous block in the chain
- Step 4: Finally, the block is added to the blockchain being connected by these hash codes together in a specific order. The hash of the previous block would try to match with the hash of the next block and once the matching is accurate, the blocks are linked.

EXAMPLES

Ethereum, Bitcoin and Dash are some names among thousands of active cryptocurrencies in the world

SAFETY

considered safest because of hash codes that are almost impossible to hack

APPLICATION

Blockchain enabled Cryptocurrency can be utilised in various sectors like aviation, banking and healthcare

Blockchain technology is also finding its adoption in the electric car market

RISKS

- risk of identity theft if someone manages to get a copy of the cryptographic code
- adding another user can be very expensive and time-consuming