1.4 Free Response Assignment

**The following are free response questions. Please use your own phasing (avoid copying pasting from curriculum) and answer each question in 100-250 words.**

1. A mutual business associate of yours is skeptical of blockchain technology. They don't think Bitcoin is anything special, and don't understand how it can be secure. How would you explain Proof-of-Work to them to illustrate Bitcoin’s security?

POW is a consensus algorithm in a Blockchain network, this algorithm is used to confirm transactions and produce new blocks to the chain, users send each other digital tokens. A decentralized ledger gathers all the transactions into blocks. And the bitcoin was the first blockchain to implement PoW (Hashcash) as a consensus algorithm.

1. Policy issues within the blockchain space are vast and vary from jurisdiction to jurisdiction. With what you’ve learned so far, describe in detail at least two concerns you have unique to blockchain technology that any regulatory body should be aware of.

Taxes - Electronic firearm tracking

1. In your opinion, what is the most useful aspect of Bitcoin to the average person, as a consumer? Provide real world examples.

1- The consumers have a full control of their payments and cannot receive unapproved charges such as with credit card fraud

2- Bitcoin allows money to be secured against theft and loss using encryption, and multiple signatures.