

Week 5

Glossary

Stellar Technical Academy



Glossary

- **Lending** means that you provide temporary money. The money is locked for a specific amount of time in the smart contract. The participant gets the money back with interest.
- **Borrowing** is the counterpart to lending. The borrowed money can be used for example for trading with leverage. A fee or interest will be paid for the borrowed money over a specific period of time.
- **Staking** is participation in the network and contributing to its stability and security, by locking cryptocurrencies in a smart contract. In exchange, there will be remuneration in the form of cryptocurrencies.
- **Liquidity mining** means providing liquidity to a DEX and lending platforms in exchange for interest and a share of transaction fees.
- **Yield farming** combines common DeFi applications (borrowing, lending, staking and liquidity mining) using smart contracts to optimize returns across protocols. These are interacting smart contracts that take advantage of the established applications to generate the maximum return for the investor as a result.
- **Equity token** is a type of security token which represents an equity in an underlying asset. A share of a company. The equity token may give the holder voting rights and dividends.
- **TSS** is a network of servers which store smart contracts and is able to build and sign transactions according to the uploaded smart contract and specifications of the user's request.

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- **InterPlanetary File System (IPFS)** is a protocol designed to provide a content-addressable, peer-to-peer method of storing and sharing hypermedia in a distributed file system.
- **Slippage** is the situation when the price at which your order is executed does not match the price at which it was requested. This occurs when the market moves against your trade and the original price has changed during the period when your broker executes your order.



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References

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5. <https://www.investopedia.com/terms/s/slippage.asp>
6. <https://www.investopedia.com/terms/t/tokenized-equity.asp>



Questions?

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