Week 1

Glossary

Stellar Technical Academy

Glossary

- **Decentralized Exchange (DEX)** is a peer-to-peer marketplace. The market participants operate without giving the control over their funds to an intermediary or custodian.

- **Settlement** is the process of transacting funds from one wallet to another wallet.

- **Single Atomic transaction** is an indivisible and irreducible database operation

- **FinTech** means Financial Technology. It's a generic term for financial innovations, financial instruments or financial services.

- **Layer 1 blockchain** is a base network which represents the main infrastructure. BTC, ETH, Cardano and Solana are operating on Layer 1. Such protocols have to be decentralized, secure and scalable.

- **Arbitrary data** is data in any format.

- **Interoperability** is the ability of different blockchain systems to see, access and share information.

- **JSON** (JavaScript Object Notation) is a lightweight data-interchange format.

- **Double-spending** is the problem that the same digital token can be used twice.

Glossary

- **Nodes** refer to the peers of the peer-to-peer network that validate blocks of transactions and approve or reject them. Moreover, they broadcast data in a network, spread the history and synchronize with the blockchain. The connection points serve as a point for distributing data or processing data as an endpoint e.g., storing the blocks of transactions.

- **Quorum** in distributed systems refers to the rule of majority. For the Stellar network, a node does not commit to a past version of the history until there are enough peers which are ready to commit.

- **Quorum slices** refer to a selected, trusted subgroup of peers on the network. These nodes trust each other for the current state of voting. Each node defines its own quorum slice.

- **Ballots** are a container for a nominated value. The goal is that in the balloting phase the quorum will commit to it. Once the quorum committed to the ballot, this value is the result of this circle for the consensus.

References

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Questions?

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