(Lesson2)

How Bitcoins Work?

Transaction Inputs and Outputs

Transaction tells the transformation of bitcoin from one owner to another. Its working like the same that normal in banking i.e. debit and credit. IN blockchain (bitcoin) the input is the **Debits** and output is the **Credits.**

e.g. if I am a user I am transferring 2 bitcoin to receiver B then my information will be shown in input that I send the 2 bitcoin and in output the information of user will be shown which will receive the bitcoin .

There should be small amount of fee that will be charged by the miners to carry the transformation of transaction. The miners will pick the highest paid transaction fee(will be set by user) first and then others .The transaction can be send with zero transaction fee but this will take a time .and the fee difference between the users that is charged by the miners is known as **Implied Transaction fee**