

Homework1

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1 Exercise 1

One extension of the model of the double spending problem for the blockchain is to allow the attacker to give up after the attacked is n blocks behind. This is related to the following problem. Suppose that the gambler continues to bet until either wins n dollars or loses m dollars. What is the probability that the gambler quits as a winner?

2 Exercise 2

One extension of the model of the double spending problem for the blockchain is to allow the winning probability depending on the state variable. This is related to the following problem. Suppose in the gamblers ruin problem that the probability of winning depending on the gamblers current fortune, i.e. p_j is the probability that the gambler wins a bet when the wealth is j . Compute Q_i