BITCOIN

Bitcoin is a decentralized digital currency that you can buy, sell and exchange directly, without an intermediary like a bank. Bitcoin's creator, Satoshi Nakamoto, originally described the need for "an electronic payment system based on cryptographic proof instead of trust."

Each and every Bitcoin transaction that's ever been made exists on a public ledger accessible to everyone, making transactions hard to reverse and difficult to fake. That's by design: Core to their decentralized nature, Bitcoins aren't backed by the government or any issuing institution, and there's nothing to guarantee their value besides the proof baked in the heart of the system.

Bitcoin is built on a distributed digital record called a blockchain. As the name implies, blockchain is a linked body of data, made up of units called blocks that contain information about each and every transaction, including date and time, total value, buyer and seller, and a unique identifying code for each exchange. Entries are strung together in chronological order, creating a digital chain of blocks.

"Once a block is added to the blockchain, it becomes accessible to anyone who wishes to view it, acting as a public ledger of cryptocurrency transactions," says Stacey Harris, consultant for Pelicoin, a network of cryptocurrency ATMs.

Blockchain is decentralized, which means it's not controlled by any one organization. "It's like a Google Doc that anyone can work on," says Buchi Okoro, CEO and co-founder of African cryptocurrency exchange

Quidax. “Nobody owns it, but anyone who has a link can contribute to it. And as different people update it, your copy also gets updated.”

While the idea that anyone can edit the blockchain might sound risky, it’s actually what makes Bitcoin trustworthy and secure. In order for a transaction block to be added to the Bitcoin blockchain, it must be verified by the majority of all Bitcoin holders, and the unique codes used to recognize users’ wallets and transactions must conform to the right encryption pattern.

These codes are long, random numbers, making them incredibly difficult to fraudulently produce. In fact, a fraudster guessing the key code to your Bitcoin wallet has roughly the same odds as someone winning a Powerball lottery nine times in a row, according to Bryan Lotti of Crypto Aquarium. This level of statistical randomness blockchain verification codes, which are needed for every transaction, greatly reduces the risk anyone can make fraudulent Bitcoin transactions.

BLOCK (BITCOIN BLOCK)

Blocks are files where data pertaining to the Bitcoin network are permanently recorded. A block records some or all of the most recent Bitcoin transactions that have not yet entered any prior blocks. Thus, a block is like a page of a ledger or record book. Each time a block is ‘completed’, it gives way to the next block in the blockchain. A block is thus a permanent store of records which, once written, cannot be altered or removed.

BLOCKCHAIN

A blockchain is a distributed database that is shared among the nodes of a computer network. As a database, a blockchain stores information electronically in digital format. Blockchains are best known for their

crucial role in cryptocurrency systems, such as Bitcoin, for maintaining a secure and decentralized record of transactions. The innovation with a blockchain is that it guarantees the fidelity and security of a record of data and generates trust without the need for a trusted third party.

One key difference between a typical database and a blockchain is the way the data is structured. A blockchain collects information together in groups, known as "blocks" that hold sets of information. Blocks have certain storage capacities and, when filled, are closed and linked to the previously filled block, forming a chain of data known as the “blockchain.” All new information that follows that freshly added block is compiled into a newly formed block that will then also be added to the chain once filled.

A database usually structures its data into tables whereas a blockchain, like its name implies, structures its data into chunks (blocks) that are strung together. This data structure inherently makes an irreversible timeline of data when implemented in a decentralized nature. When a block is filled it is set in stone and becomes a part of this timeline. Each block in the chain is given an exact timestamp when it is added to the chain.

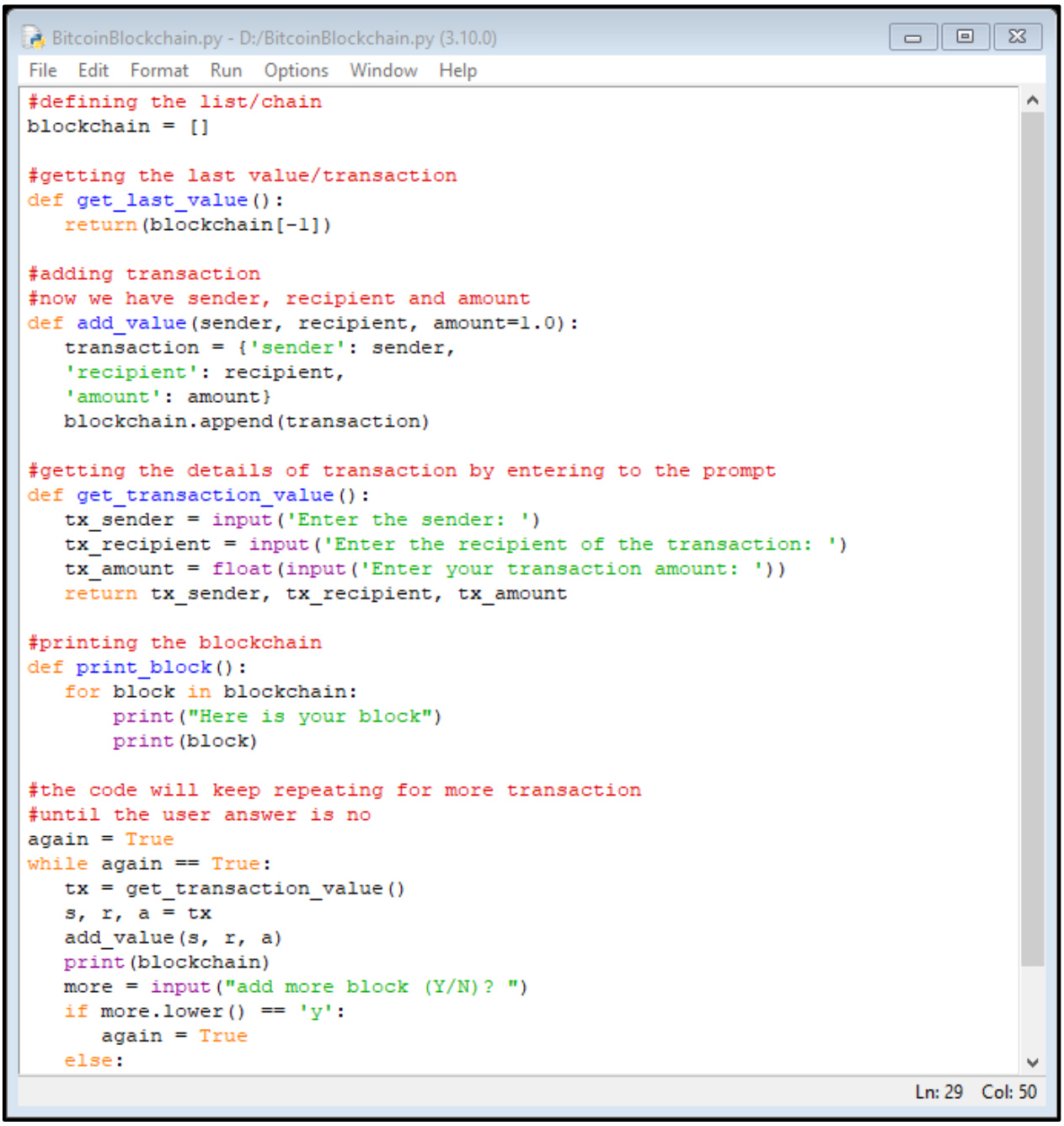
Program:

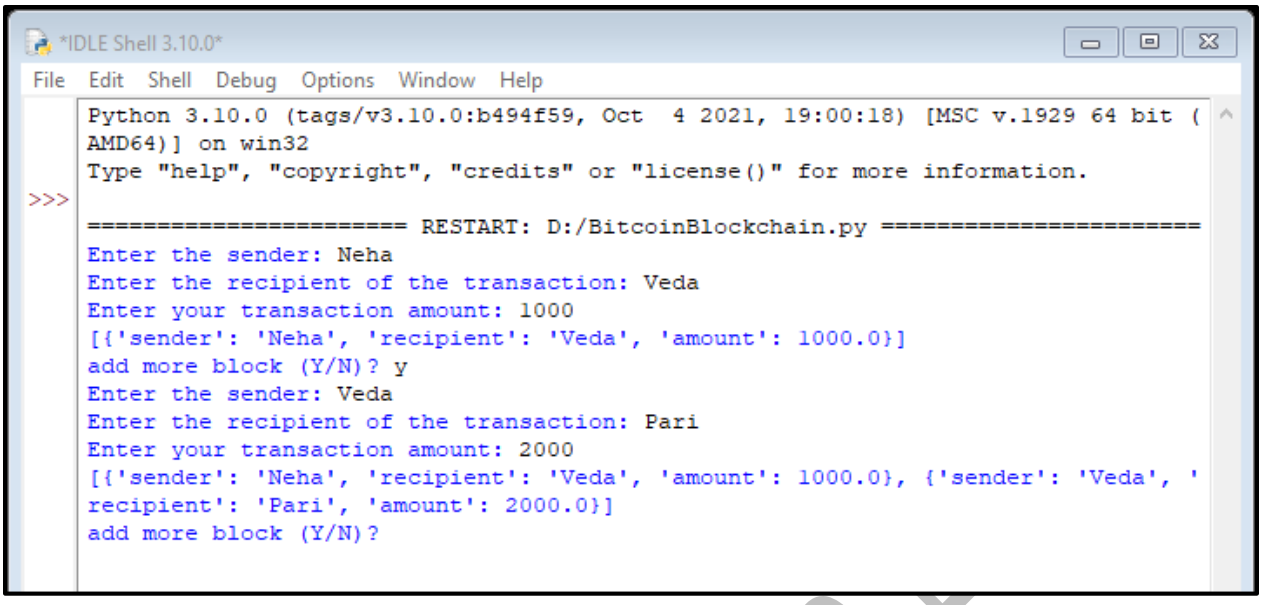
Implement the creation of Bitcoin Block/Blockchain (Genesis Block)

```
#defining the list/chain
blockchain = []


#getting the last value/transaction
def get_last_value():
  return(blockchain[-1])


#adding transaction
#now we have sender, recipient and amount
def add_value(sender, recipient, amount=1.0):
  transaction = {'sender': sender,
  'recipient': recipient,
  'amount': amount}
  blockchain.append(transaction)


#getting the details of transaction by entering to the prompt
def get_transaction_value():
  tx_sender = input('Enter the sender: ')
  tx_recipient = input('Enter the recipient of the transaction: ')
  tx_amount = float(input('Enter your transaction amount: '))
  return tx_sender, tx_recipient, tx_amount
```

```
#printing the blockchain
def print_block():
  for block in blockchain:
    print("Here is your block")
    print(block)

#the code will keep repeating for more transaction
#until the user answer is no
again = True
while again == True:
  tx = get_transaction_value()
  s, r, a = tx
  add_value(s, r, a)
  print(blockchain)
  more = input("add more block (Y/N)? ")
  if more.lower() == 'y':
    again = True
  else:
    again = False
```

Output:


BitcoinBlockchain.py - D:/BitcoinBlockchain.py (3.10.0)
File Edit Format Run Options Window Help
#defining the list/chain
blockchain = []
#getting the last value/transaction
def get_last_value():
return(blockchain[-1])
#adding transaction
#now we have sender, recipient and amount
def add_value(sender, recipient, amount=1.0):
transaction = {'sender': sender,
'recipient': recipient,
'amount': amount}
blockchain.append(transaction)
#getting the details of transaction by entering to the prompt
def get_transaction_value():
tx_sender = input('Enter the sender: ')
tx_recipient = input('Enter the recipient of the transaction: ')
tx_amount = float(input('Enter your transaction amount: '))
return tx_sender, tx_recipient, tx_amount
#printing the blockchain
def print_block():
for block in blockchain:
print("Here is your block")
print(block)
#the code will keep repeating for more transaction
#until the user answer is no
again = True
while again == True:
tx = get_transaction_value()
s, r, a = tx
add_value(s, r, a)
print(blockchain)
more = input("add more block (Y/N)? ")
if more.lower() == 'y':
again = True
else:
Ln: 29 Col: 50



Program:

Implement the creation of a Blockchain (Adding the blocks to the chain and validating)

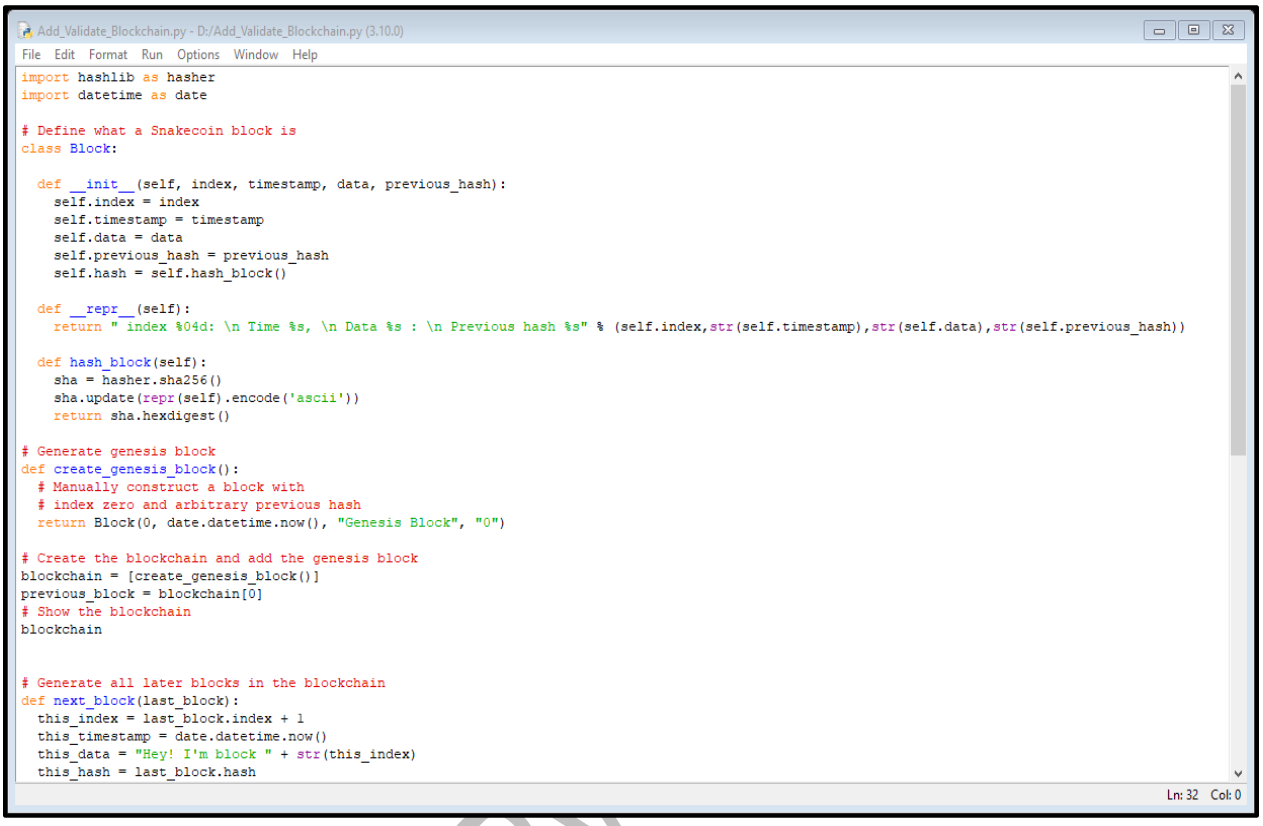
```
import hashlib as hasher
import datetime as date


# Define what a Snakecoin block is
class Block:

  def __init__(self, index, timestamp, data, previous_hash):
    self.index = index
    self.timestamp = timestamp
    self.data = data
```

```
    self.previous_hash = previous_hash
    self.hash = self.hash_block()

  def __repr__(self):
    return " index %04d: \n Time %s, \n Data %s : \n Previous hash %s" %
(self.index,str(self.timestamp),str(self.data),str(self.previous_hash))

  def hash_block(self):
    sha = hasher.sha256()
    sha.update(repr(self).encode('ascii'))
    return sha.hexdigest()

# Generate genesis block
def create_genesis_block():
  # Manually construct a block with
  # index zero and arbitrary previous hash
  return Block(0, date.datetime.now(), "Genesis Block", "0")

# Create the blockchain and add the genesis block
blockchain = [create_genesis_block()]
previous_block = blockchain[0]
# Show the blockchain
blockchain
```

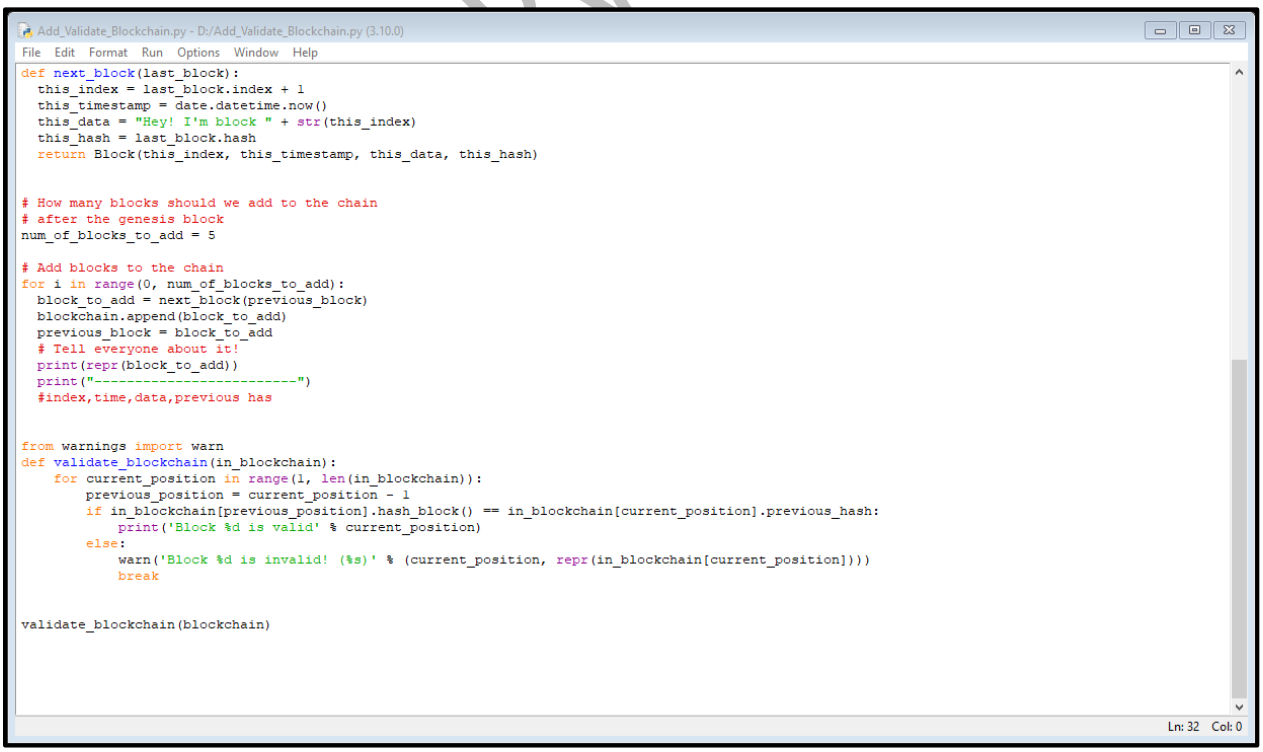
```
# Generate all later blocks in the blockchain
def next_block(last_block):
  this_index = last_block.index + 1
  this_timestamp = date.datetime.now()
  this_data = "Hey! I'm block " + str(this_index)
  this_hash = last_block.hash
  return Block(this_index, this_timestamp, this_data, this_hash)


# How many blocks should we add to the chain
# after the genesis block
num_of_blocks_to_add = 5

# Add blocks to the chain
for i in range(0, num_of_blocks_to_add):
  block_to_add = next_block(previous_block)
  blockchain.append(block_to_add)
  previous_block = block_to_add
  # Tell everyone about it!
  print(repr(block_to_add))
```

```
print("------------------------")
#index,time,data,previous has



from warnings import warn
def validate_blockchain(in_blockchain):
    for current_position in range(1, len(in_blockchain)):
        previous_position = current_position - 1
        if in_blockchain[previous_position].hash_block() == in_blockchain[current_position].previous_hash:
            print('Block %d is valid' % current_position)
        else:
            warn('Block %d is invalid! (%s)' % (current_position, repr(in_blockchain[current_position])))
            break



validate_blockchain(blockchain)
```

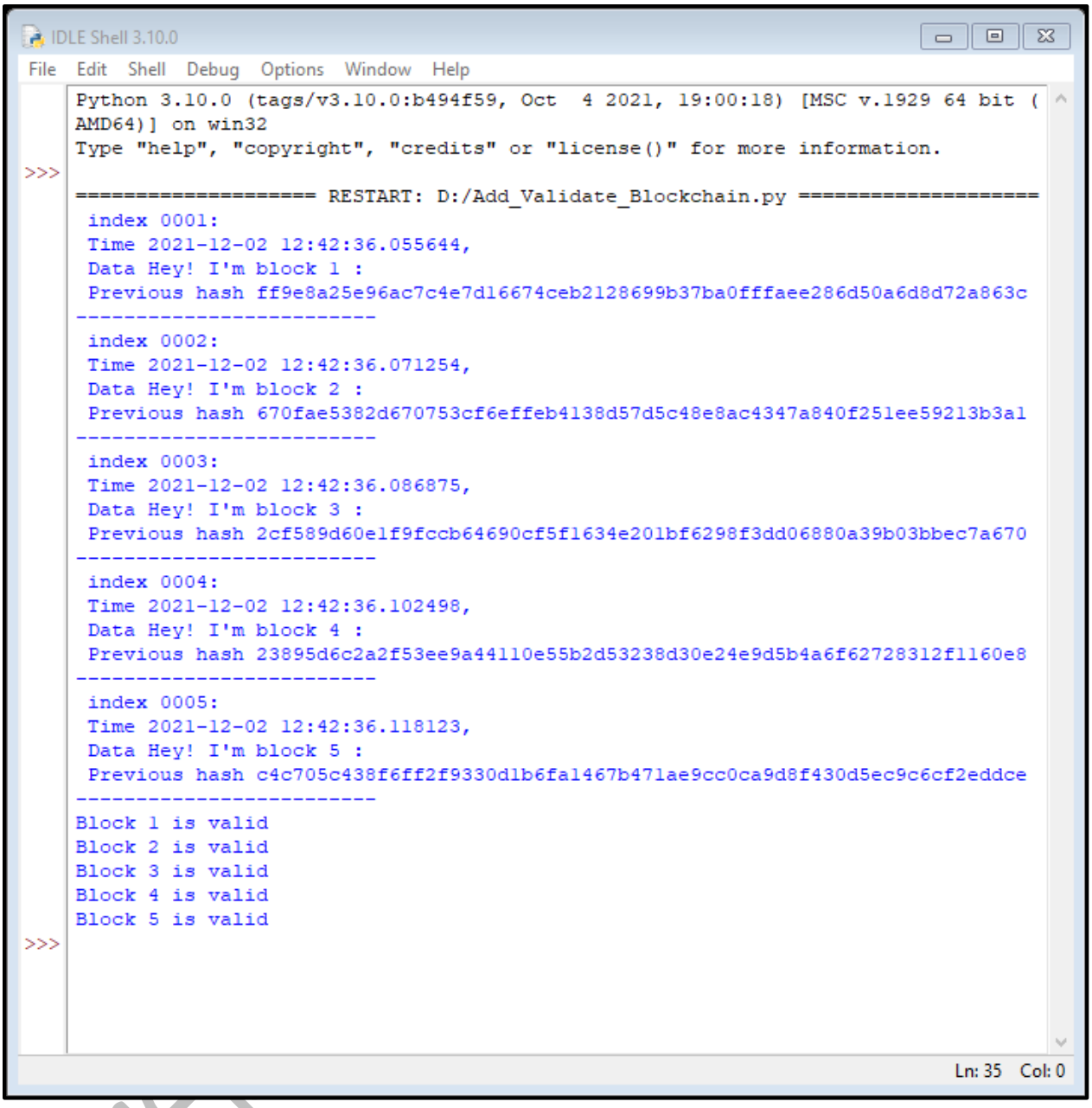
Output:



```
Add_Validate_Blockchain.py - D:/Add_Validate_Blockchain.py (3.10.0)
File  Edit  Format  Run  Options  Window  Help
import hashlib as hasher
import datetime as date

# Define what a Snakecoin block is
class Block:

  def __init__(self, index, timestamp, data, previous_hash):
    self.index = index
    self.timestamp = timestamp
    self.data = data
    self.previous_hash = previous_hash
    self.hash = self.hash_block()

  def __repr__(self):
    return " index %04d: \n Time %s, \n Data %s : \n Previous hash %s" % (self.index,str(self.timestamp),str(self.data),str(self.previous_hash))

  def hash_block(self):
    sha = hasher.sha256()
    sha.update(repr(self).encode('ascii'))
    return sha.hexdigest()

# Generate genesis block
def create_genesis_block():
  # Manually construct a block with
  # index zero and arbitrary previous hash
  return Block(0, date.datetime.now(), "Genesis Block", "0")

# Create the blockchain and add the genesis block
blockchain = [create_genesis_block()]
previous_block = blockchain[0]
# Show the blockchain
blockchain


# Generate all later blocks in the blockchain
def next_block(last_block):
  this_index = last_block.index + 1
  this_timestamp = date.datetime.now()
  this_data = "Hey! I'm block " + str(this_index)
  this_hash = last_block.hash
                                                                    Ln: 32  Col: 0
```



```
Add_Validate_Blockchain.py - D:/Add_Validate_Blockchain.py (3.10.0)
File  Edit  Format  Run  Options  Window  Help
def next_block(last_block):
  this_index = last_block.index + 1
  this_timestamp = date.datetime.now()
  this_data = "Hey! I'm block " + str(this_index)
  this_hash = last_block.hash
  return Block(this_index, this_timestamp, this_data, this_hash)


# How many blocks should we add to the chain
# after the genesis block
num_of_blocks_to_add = 5

# Add blocks to the chain
for i in range(0, num_of_blocks_to_add):
  block_to_add = next_block(previous_block)
  blockchain.append(block_to_add)
  previous_block = block_to_add
  # Tell everyone about it!
  print(repr(block_to_add))
  print("--------------------------")
  #index,time,data,previous has


from warnings import warn
def validate_blockchain(in_blockchain):
    for current_position in range(1, len(in_blockchain)):
        previous_position = current_position - 1
        if in_blockchain[previous_position].hash_block() == in_blockchain[current_position].previous_hash:
            print('Block %d is valid' % current_position)
        else:
            warn('Block %d is invalid! (%s)' % (current_position, repr(in_blockchain[current_position])))
            break


validate_blockchain(blockchain)
                                                                    Ln: 32  Col: 0
```


IDLE Shell 3.10.0
File Edit Shell Debug Options Window Help
Python 3.10.0 (tags/v3.10.0:b494f59, Oct 4 2021, 19:00:18) [MSC v.1929 64 bit (
AMD64)] on win32
Type "help", "copyright", "credits" or "license()" for more information.
>>>
========== RESTART: D:/Add_Validate_Blockchain.py ==========
index 0001:
Time 2021-12-02 12:42:36.055644,
Data Hey! I'm block 1 :
Previous hash ff9e8a25e96ac7c4e7d16674ceb2128699b37ba0fffaee286d50a6d8d72a863c
---
index 0002:
Time 2021-12-02 12:42:36.071254,
Data Hey! I'm block 2 :
Previous hash 670fae5382d670753cf6effeb4138d57d5c48e8ac4347a840f251ee59213b3a1
---
index 0003:
Time 2021-12-02 12:42:36.086875,
Data Hey! I'm block 3 :
Previous hash 2cf589d60e1f9fccb64690cf5f1634e201bf6298f3dd06880a39b03bbec7a670
---
index 0004:
Time 2021-12-02 12:42:36.102498,
Data Hey! I'm block 4 :
Previous hash 23895d6c2a2f53ee9a44110e55b2d53238d30e24e9d5b4a6f62728312f1160e8
---
index 0005:
Time 2021-12-02 12:42:36.118123,
Data Hey! I'm block 5 :
Previous hash c4c705c438f6ff2f9330d1b6fa1467b471ae9cc0ca9d8f430d5ec9c6cf2eddce
---
Block 1 is valid
Block 2 is valid
Block 3 is valid
Block 4 is valid
Block 5 is valid
>>>
Ln: 35 Col: 0

PRIVATE BLOCKCHAIN USING GETH

(Implement the creation of a public/private Blockchain)

Ethereum node is any device that is running the Ethereum protocol (blockchain).

When we connect to the Ethereum protocol we are on the Ethereum blockchain network.

By running an Ethereum node we can connect to other nodes in the network, have direct access to the blockchain, and even do things like mine blocks, send transactions, and deploy smart contracts.

Step 1

Download and Install NodeJs

https://nodejs.org/en/download/

Step 2

- **Installation:**

1. Visit the Go Ethereum website and install Geth
   Visit here: https://geth.ethereum.org/downloads/

2. Download the latest release of Geth for Windows, make sure you download the 64-bit version

Stable releases

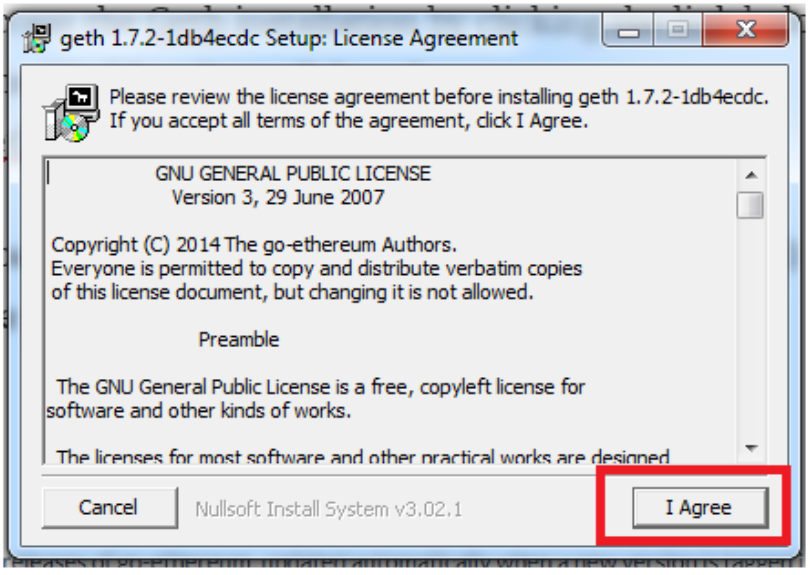
These are the current and previous stable releases of go-ethereum, updated automatically when a new version is tagged in our GitHub repository.

Android iOS Linux macOS Windows

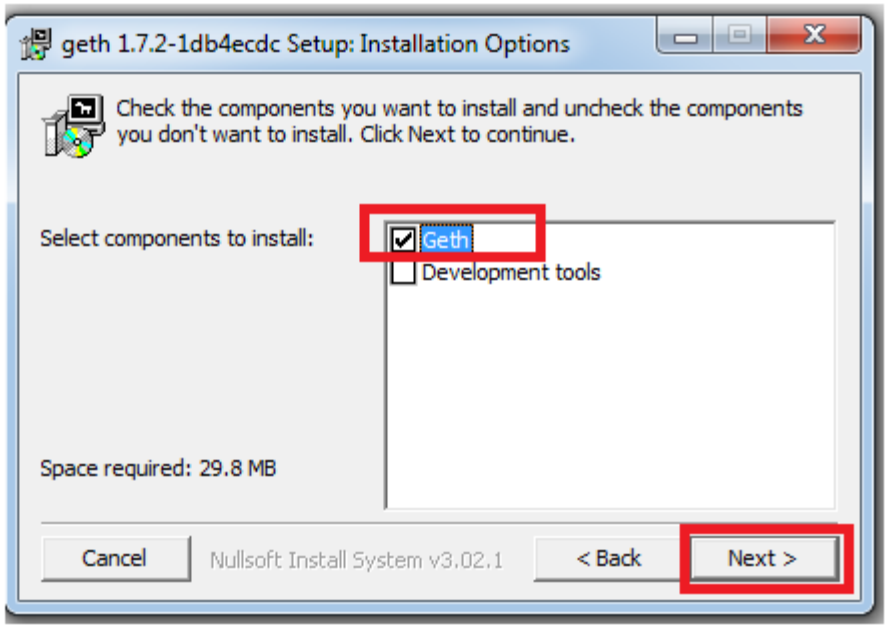
Release	Commit	Kind	Arch	Size	Published	Signature	Checksum (MD5)
Geth 1.7.2	1db4ecdc...	Installer	32-bit	29.78 MB	10/14/2017	Signature	2167525fd0b614ddcfb391174665e720
Geth 1.7.2	1db4ecdc...	Archive	32-bit	8.7 MB	10/14/2017	Signature	50b353bf3639a502b06e0098c751df67
Geth 1.7.2	**1db4ecdc...**	**Installer**	**64-bit**	**31.46 MB**	**10/14/2017**	**Signature**	**f21743ee188ab75f7f1a799b479996de**
Geth 1.7.2	1db4ecdc...	Archive	64-bit	9.1 MB	10/14/2017	Signature	b34d22226c2d8c6729b4c01a2f25f818
Geth & Tools 1.7.2	1db4ecdc...	Archive	32-bit	41.97 MB	10/14/2017	Signature	b5722927277fc9da029bb4505a454e33
Geth & Tools 1.7.2	1db4ecdc...	Archive	64-bit	43.88 MB	10/14/2017	Signature	169a74be1f774228f75b2acdee2f8edd
Geth 1.7.1	05101641...	Installer	32-bit	29.8 MB	10/04/2017	Signature	0ae4789ca012bf2639c0d718bc2e0319
Geth 1.7.1	05101641...	Archive	32-bit	8.7 MB	10/04/2017	Signature	4a198f5c736b86515a042873a5c7165b

Geth Ethereum Downloadable Releases

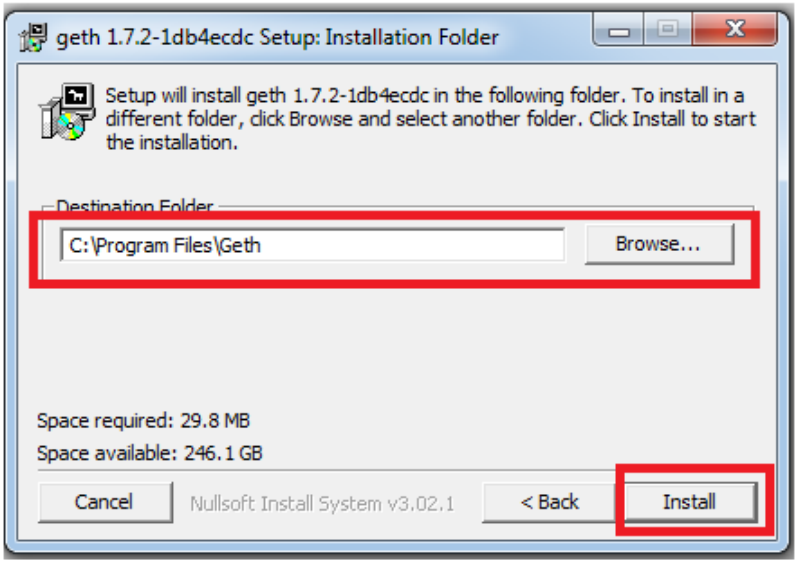
3. Once your download is complete, open the installer and click "I Agree"



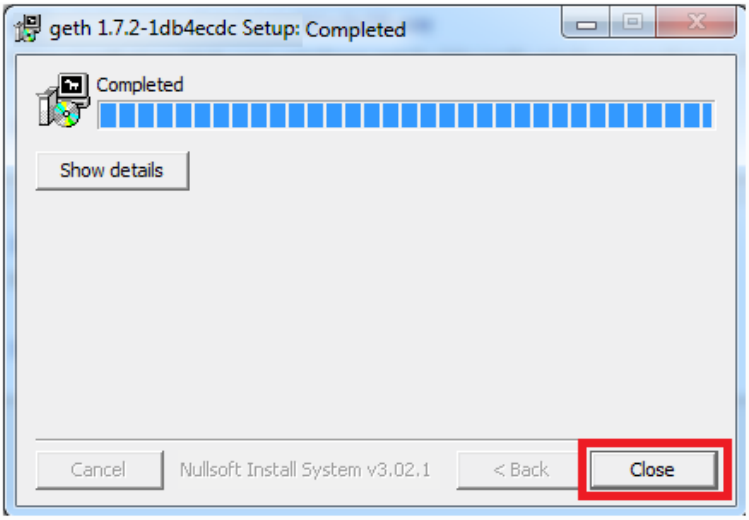
4. Make sure the Geth box is checked and click “Next”



5. You’ll be prompted to select a destination folder for your download. By default, Geth will install under C:\Program Files\Geth



6. Close installation once complete



Step 3

Establishing Our Own Private Ethereum Network

1. Create a new folder on your desktop called “Private-chain”
2. Open command prompt in this folder and create a data directory folder for our chaindata by typing “mkdir chaindata
3. Next, we need to create and save our genesis.json block in our Private-chain folder, as the genesis block will be used to initialize our private network and store data in the data directory folder “chaindata” .Initially “chaindata” folder is NULL. Once all steps done, observe the structure of “chaindata” folder.

   Open up notepad, copy & paste the code below into a new file called “genesis.json” and save this file in our Private-chain folder.

```
{
 "config": {
 "chainId": 4777,
 "homesteadBlock": 0,
 "eip150Block": 0,
 "eip155Block": 0,
 "eip158Block": 0
 },
 "alloc" : {},
 "difficulty" : "0x400",
 "extraData" : "",
 "gasLimit" : "0x7A1200",
 "parentHash" :
"0x0000000000000000000000000000000000000000000000000000000000000000",
 "timestamp" : "0x00"
}
```

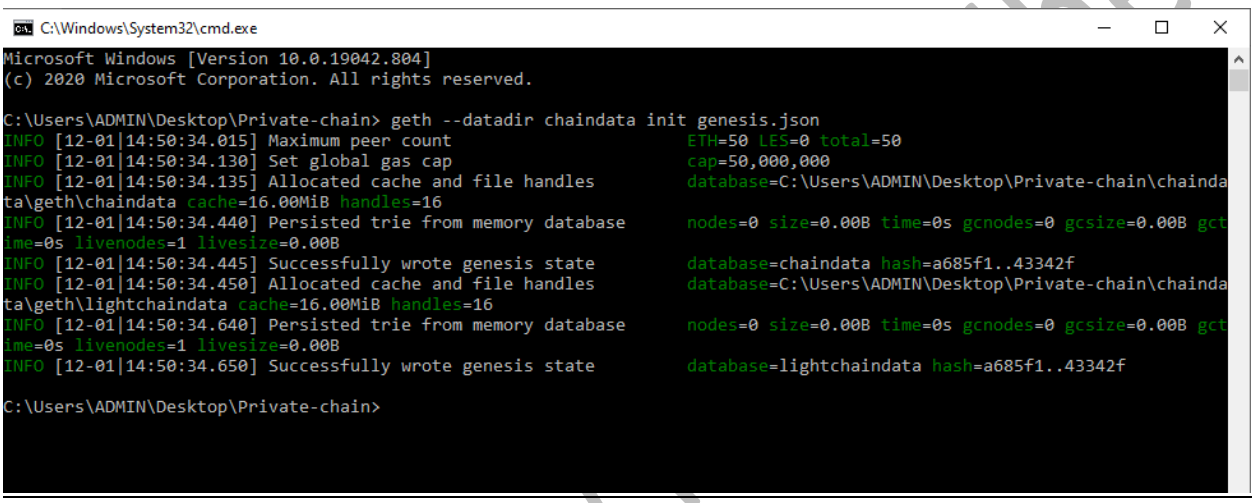
Step 4

Start the Ethereum peer node (Start the Blockchain)

Run the command:

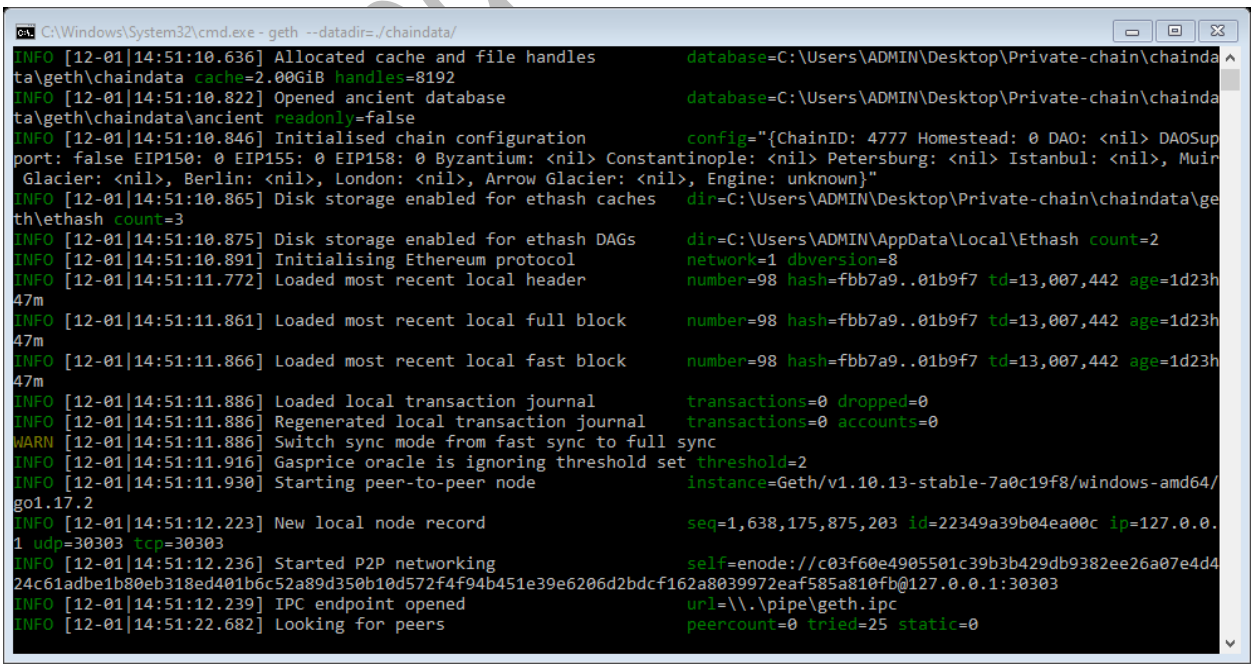
geth --datadir chaindata init genesis.json

It will Intialize geth into chaindata



Now we can start Geth and connect to our own private chain

geth --datadir=./chaindata/



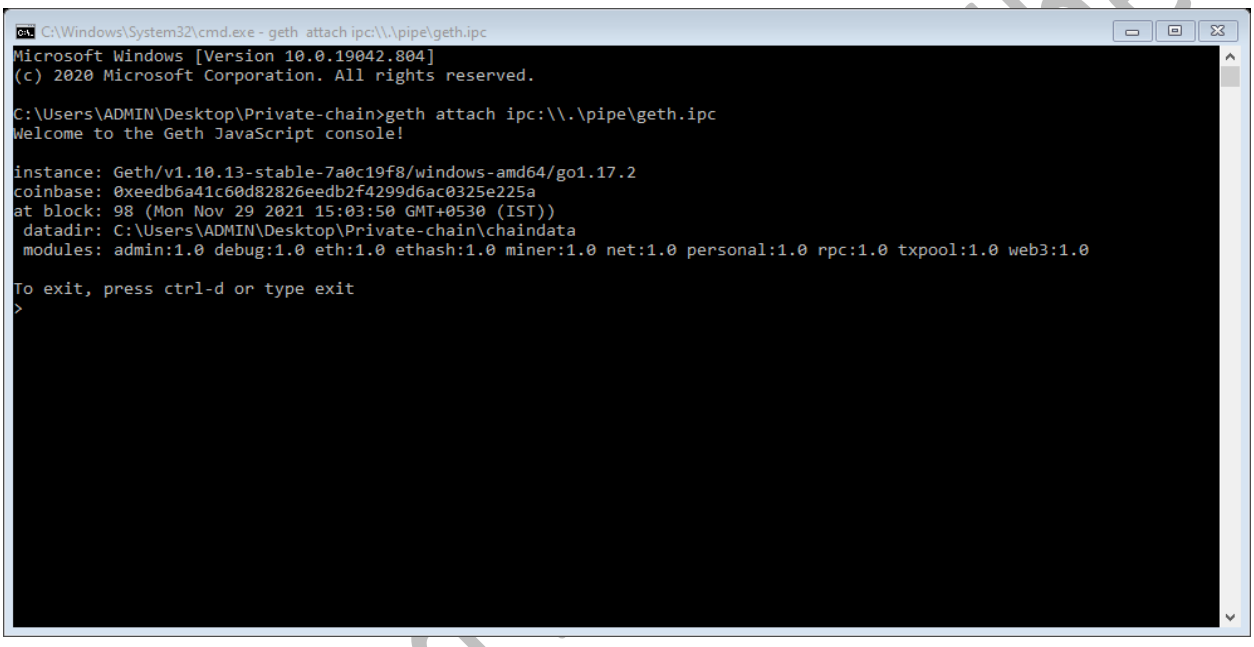
Step 5

Minimize the terminal and open a new terminal

IPC to interact with Geth:

geth attach ipc:\\.\pipe\geth.ipc

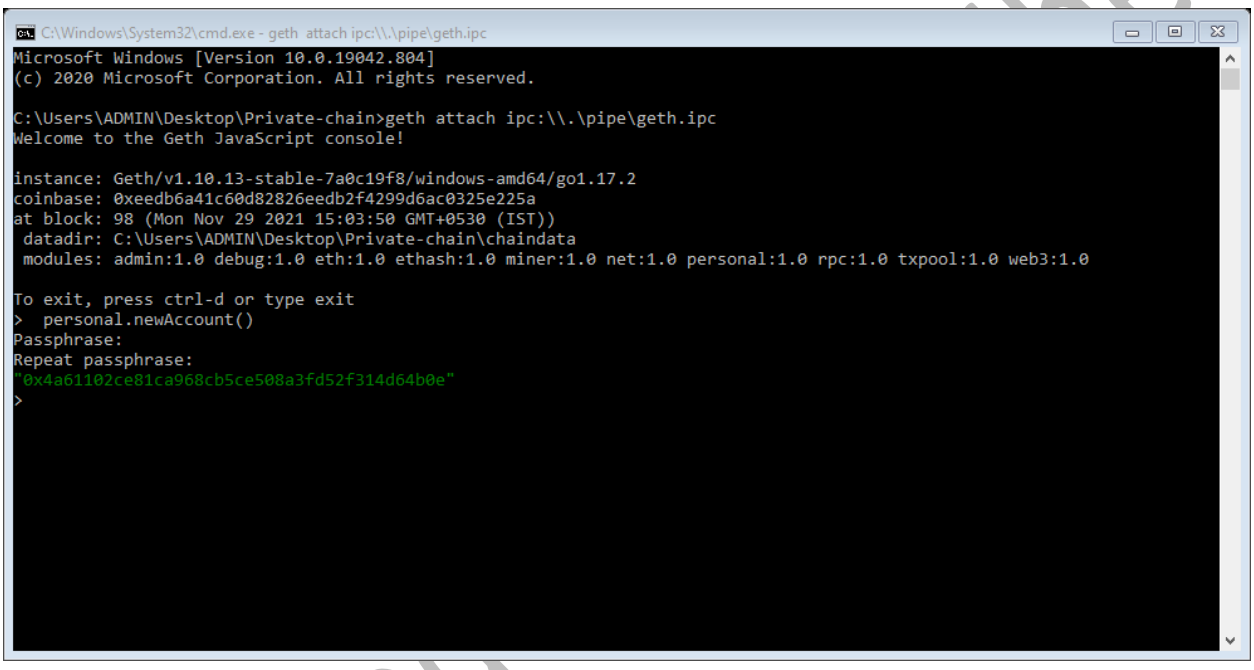
(Run this command on new terminal)



Create Account

personal.newAccount()

(Run this command on terminal)

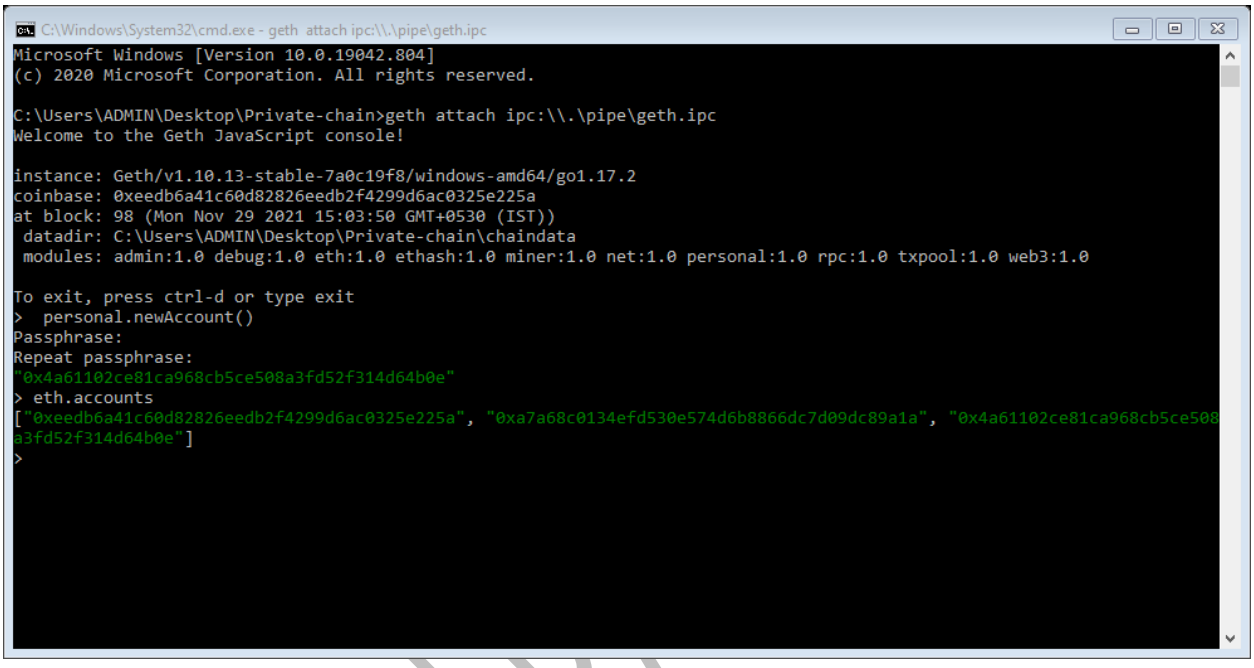


(you can create multiple accounts. It will ask password. Note the password. This password required while you unlock account)

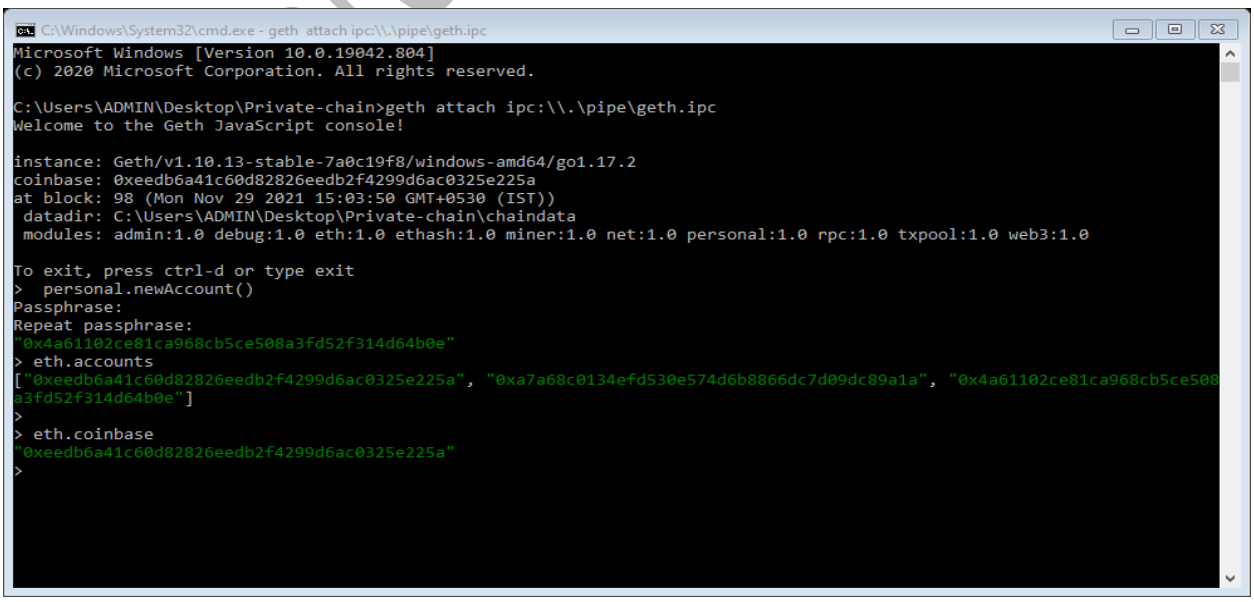
eth.accounts

(Run this command on terminal)

It will show number of accounts created



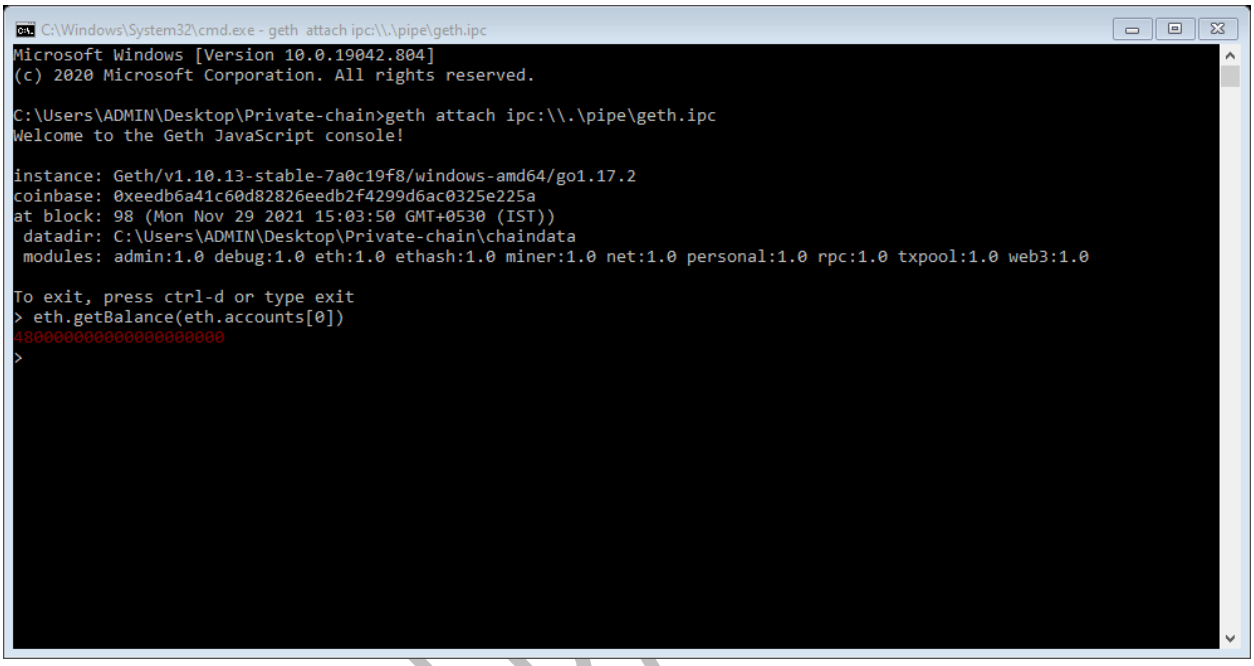
eth.coinbase



eth.getBalance(eth.accounts[0])

(Run this command on terminal)

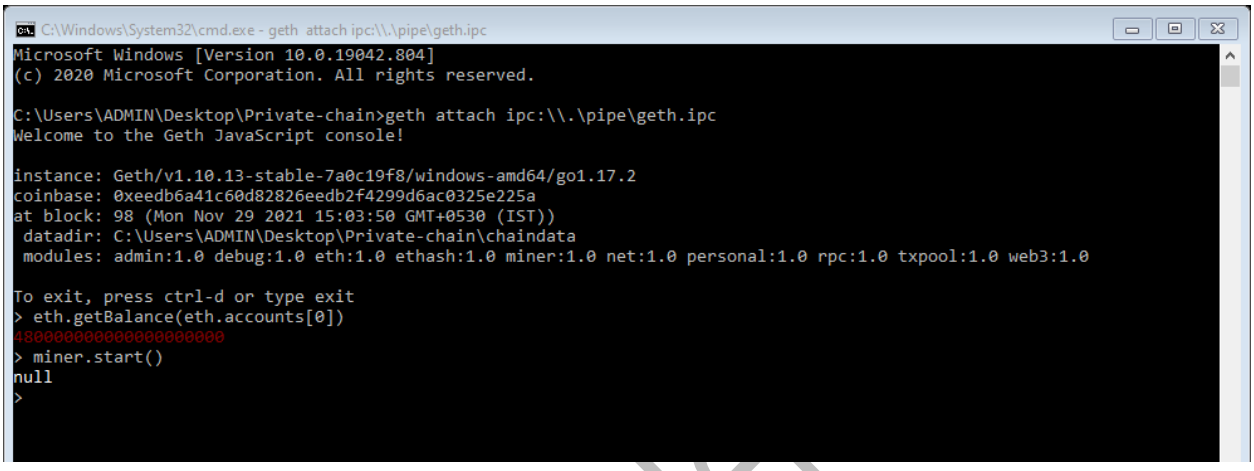
It will show balance of account.



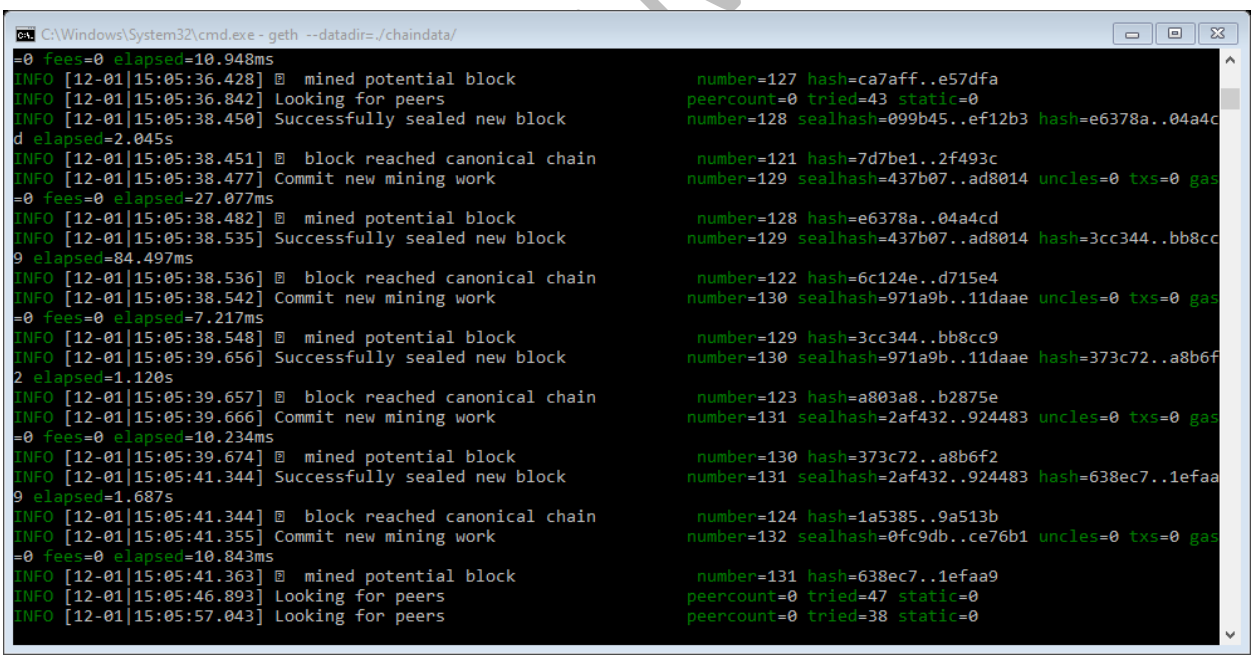
miner.start()

(Run this command on terminal)

Mining is the process of creating a block of transactions to be added to the Ethereum blockchain.

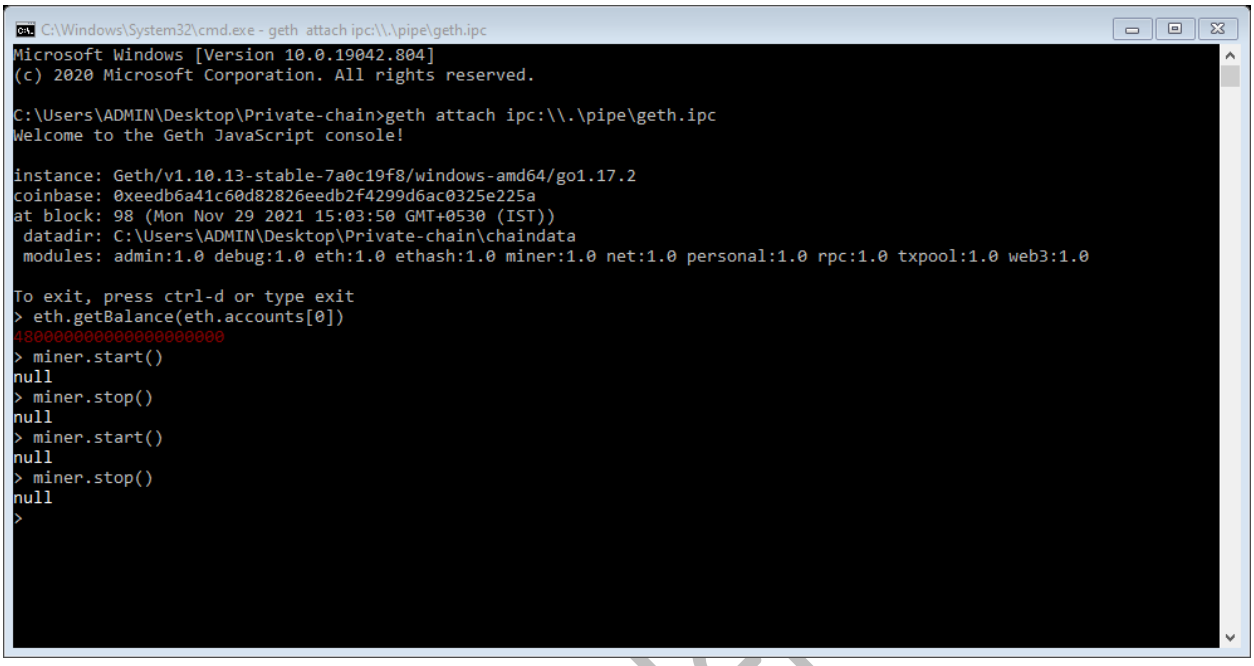


(Now observe the terminal which we have minimized.



Wait till you get msg on terminal that successfully sealed new block. Then run following command)

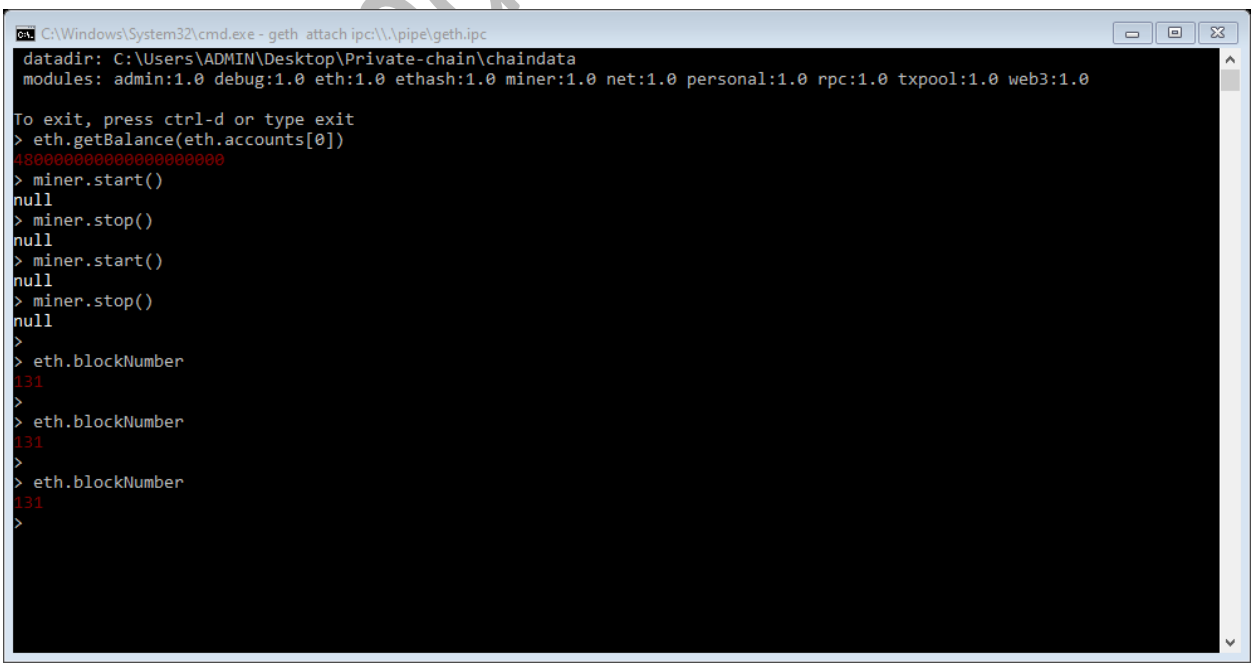
miner.stop()



eth.blockNumber

(Run this command on terminal)

It will show you blocknumber.



Now we will perform transaction

To perform transaction, we are having one account. Now we will create another account.

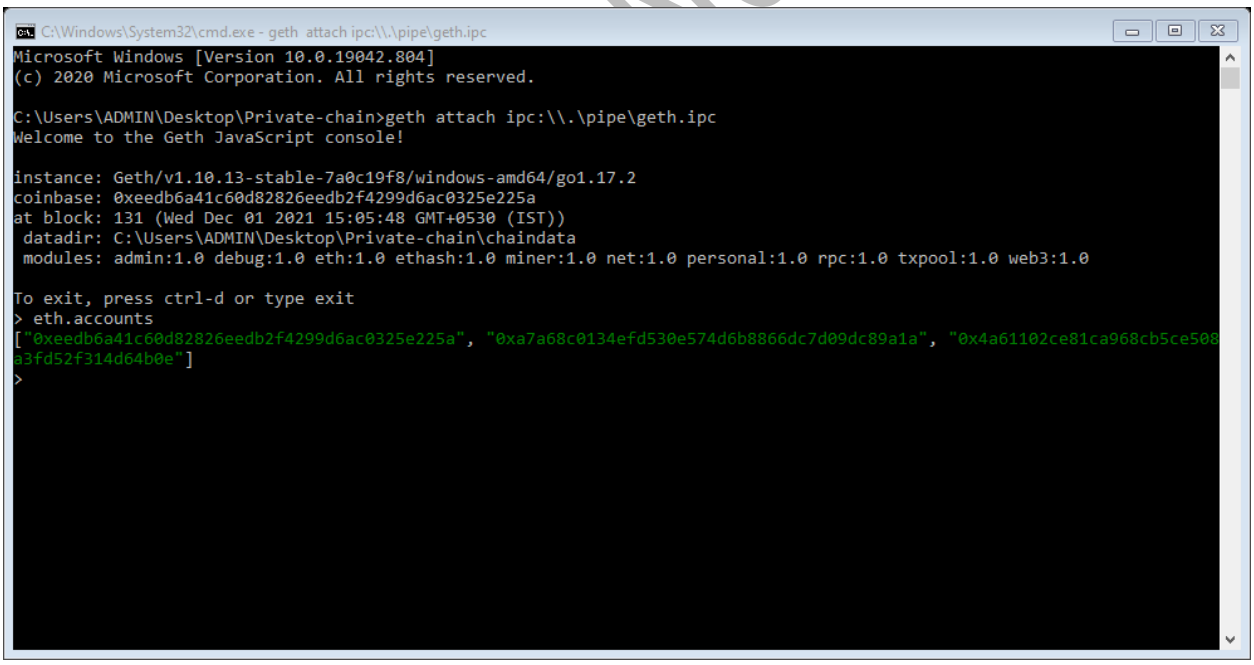
personal.newAccount()

(Run this command on terminal it will create new account)

eth.accounts

(Run this command on terminal)

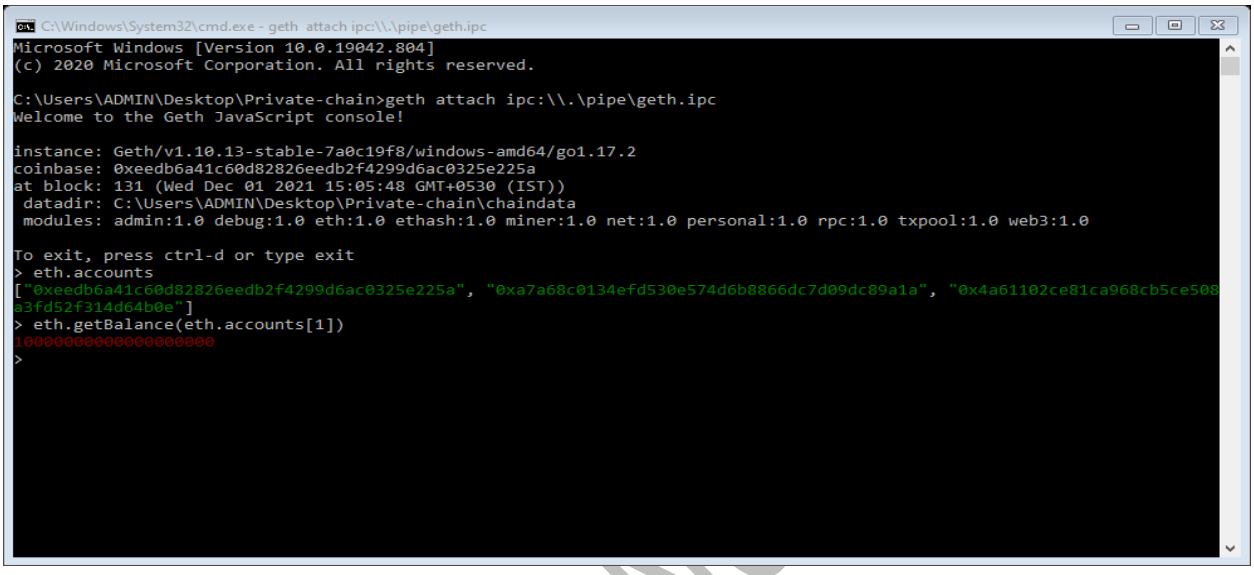
It will show number of accounts created



eth.getBalance(eth.accounts[1])

(Run this command on terminal)

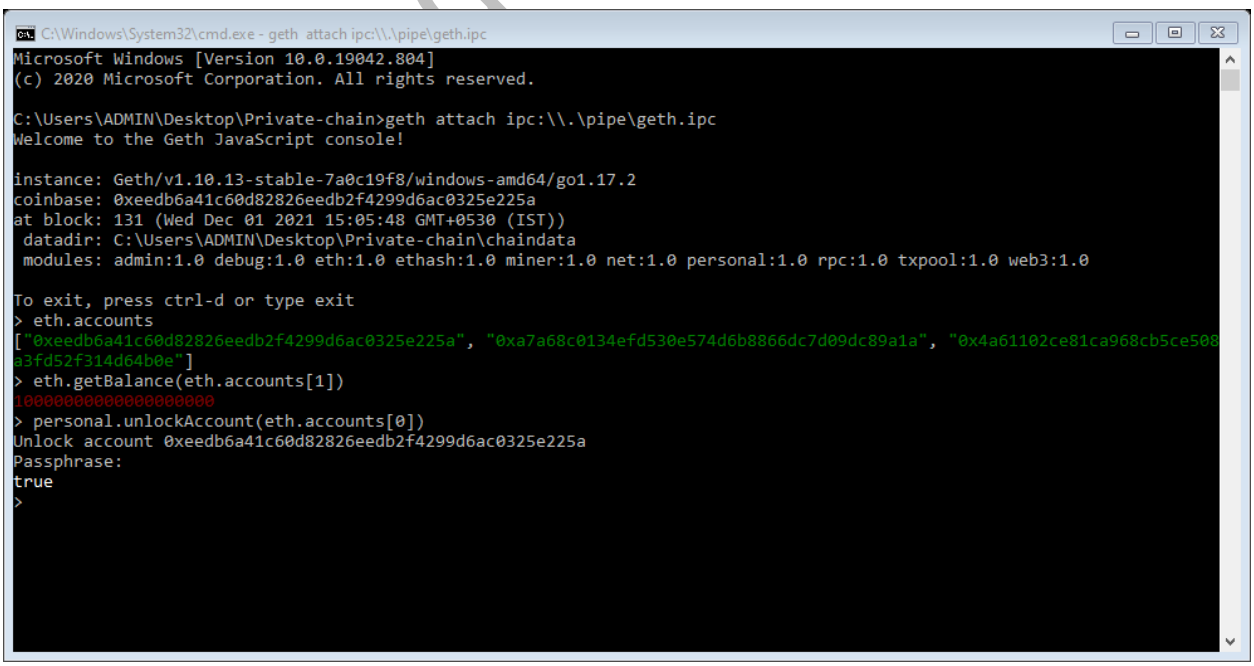
It will show balance of account.



personal.unlockAccount(eth.accounts[0])

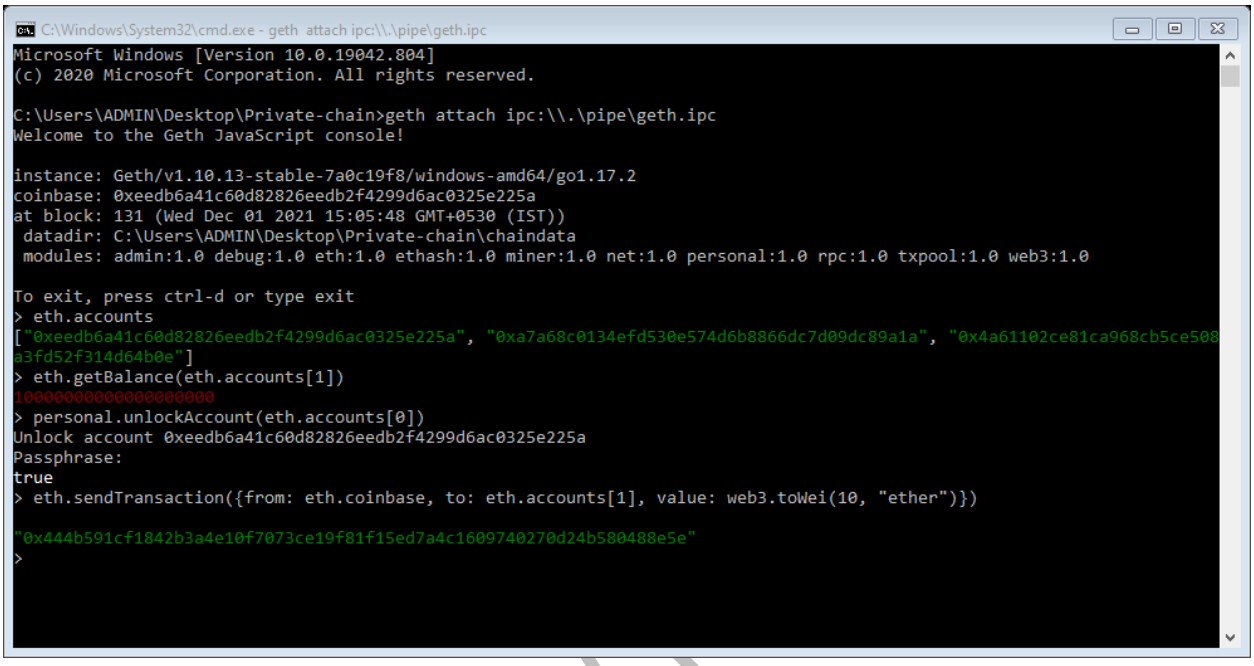
(Run this command on terminal)

It will unlock the block which was sealed previously, it requires password)



Transaction:

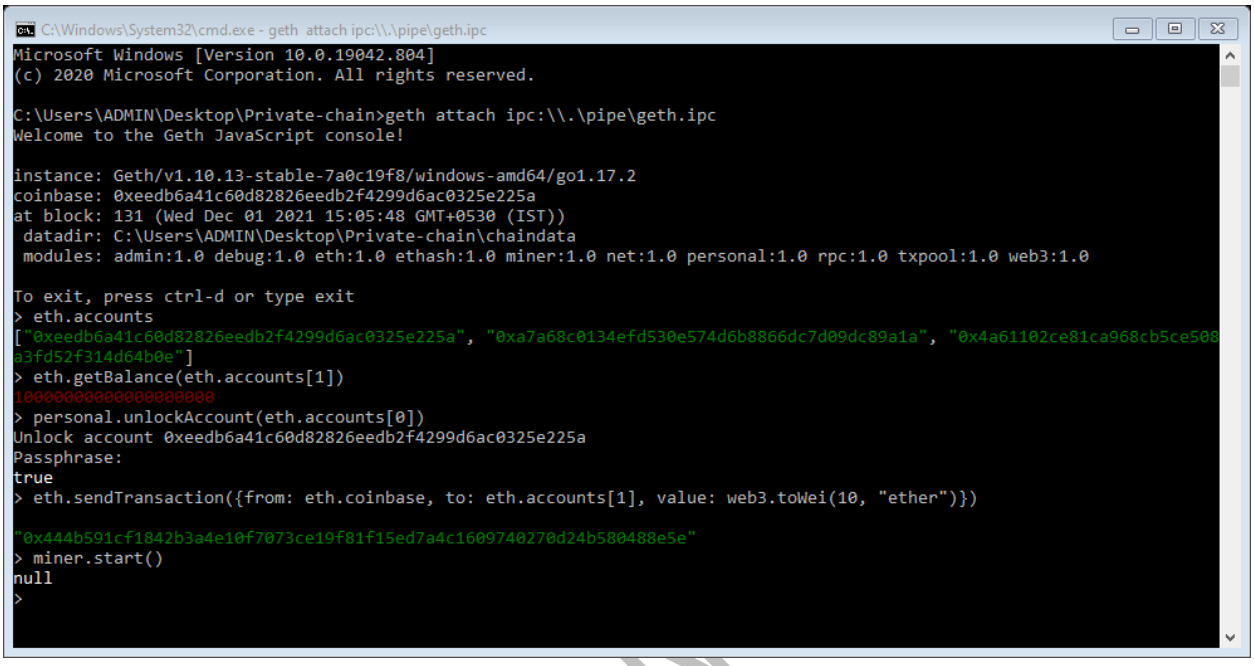
eth.sendTransaction({from: eth.coinbase, to: eth.accounts[1], value: web3.toWei(10, "ether")})



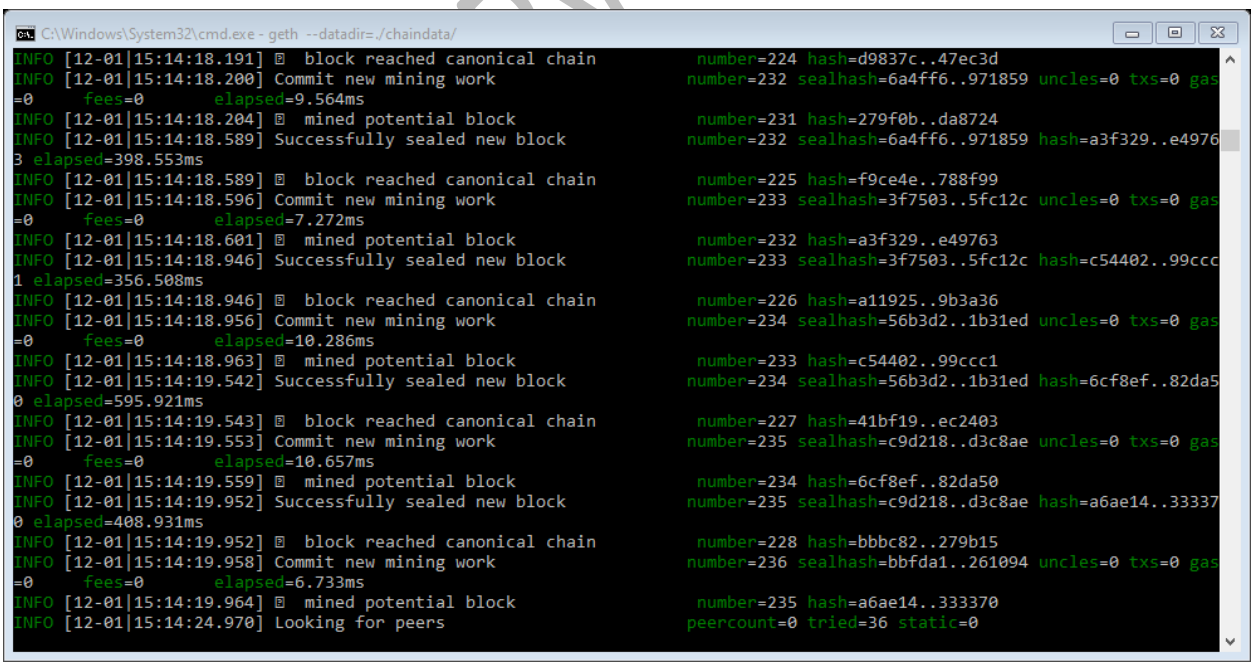
(start mining and stop)

miner.start()

(Run this command on terminal)

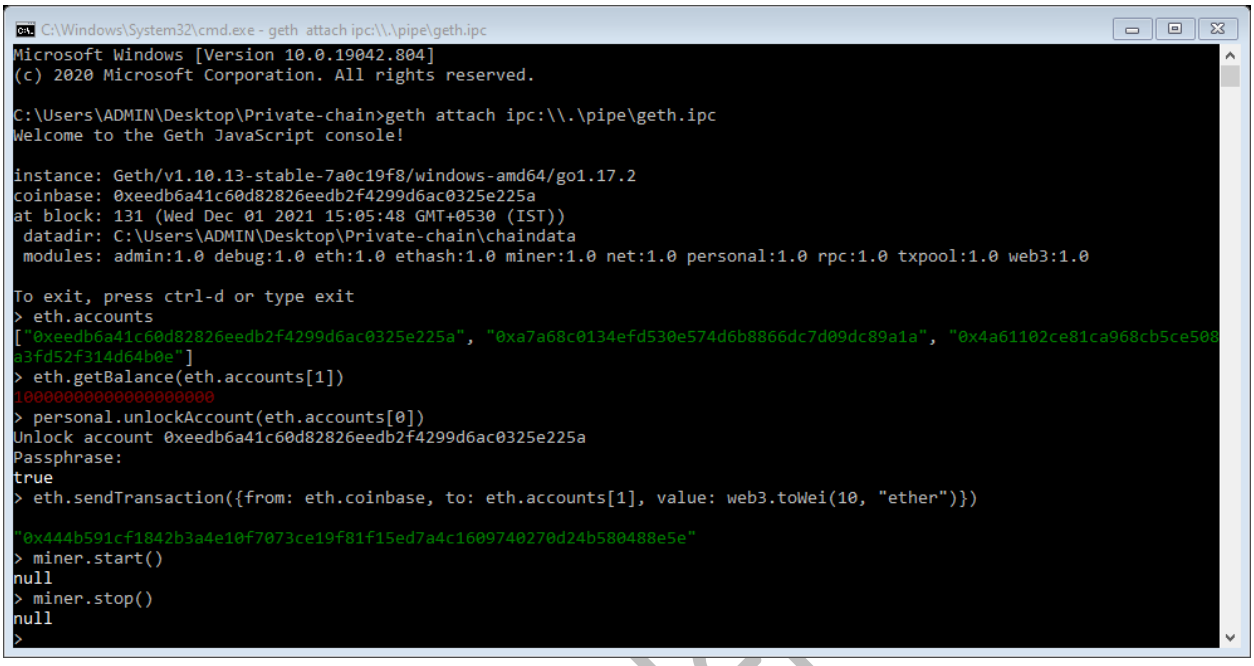


(Now observe the terminal which we have minimized.



Wait till you get msg on terminal that successfully sealed. Then run following command)

miner.stop()



eth.getBalance(eth.accounts[1])

(Run this command on terminal)

It will show balance of account.