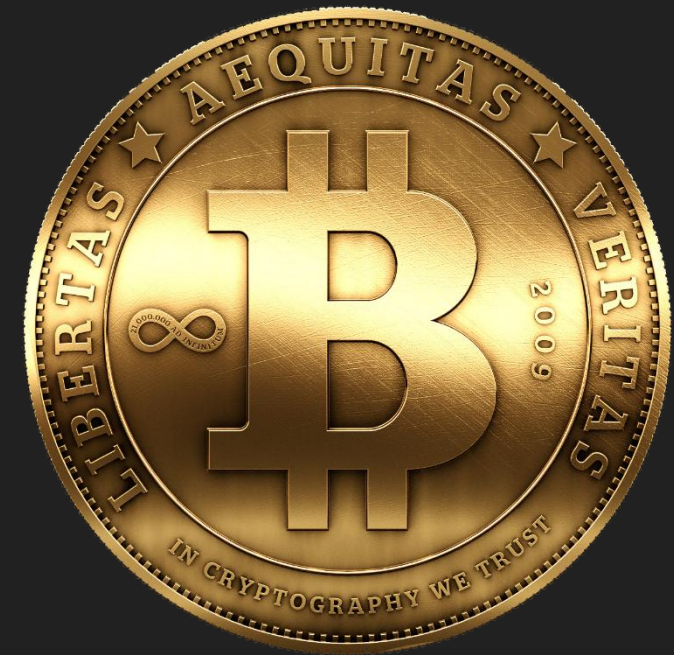


Bitcoin

History and it's relation with blockchain

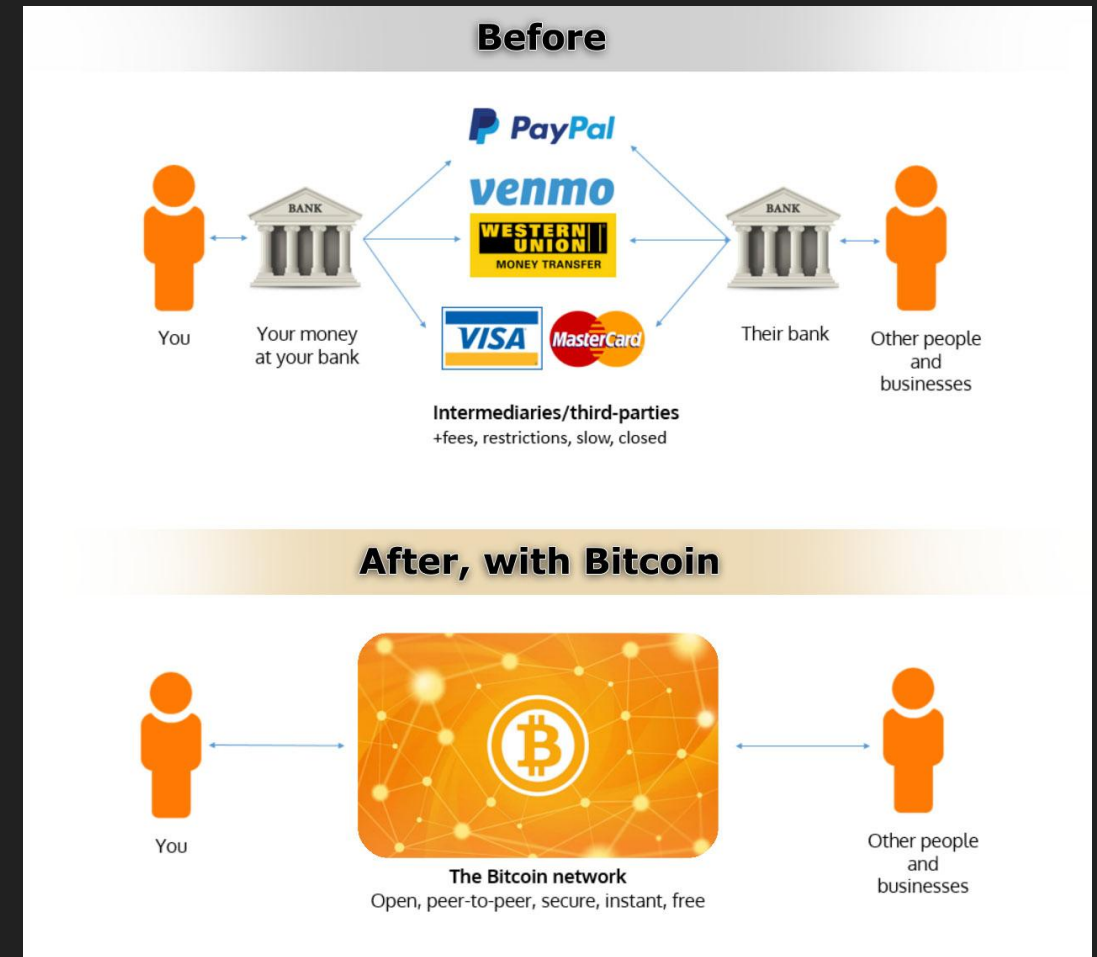
What is Bitcoin?

- Bitcoin is a new currency that was created in 2009 by an unknown person using the alias Satoshi Nakamoto. Transactions are made with no middle men – meaning, no banks! Bitcoin can be used to book hotels, shopping and etc. But much of the hype is about getting rich by trading it. The price of bitcoin skyrocketed into the thousands in 2017.



Why Bitcoins?

- Bitcoins can be used to buy merchandise anonymously. In addition, international payments are easy and cheap because bitcoins are not tied to any country or subject to regulation. Small businesses may like them because there are no credit card fees. Some people just buy bitcoins as an investment, hoping that they'll go up in value.



Acquiring Bitcoins

○ Buy on an Exchange

Many marketplaces called “bitcoin exchanges” allow people to buy or sell bitcoins using different currencies. Coinbase is a leading exchange, along with Bitstamp and Bitfinex. But security can be a concern: bitcoins worth tens of millions of dollars were stolen from Bitfinex when it was hacked in 2016.



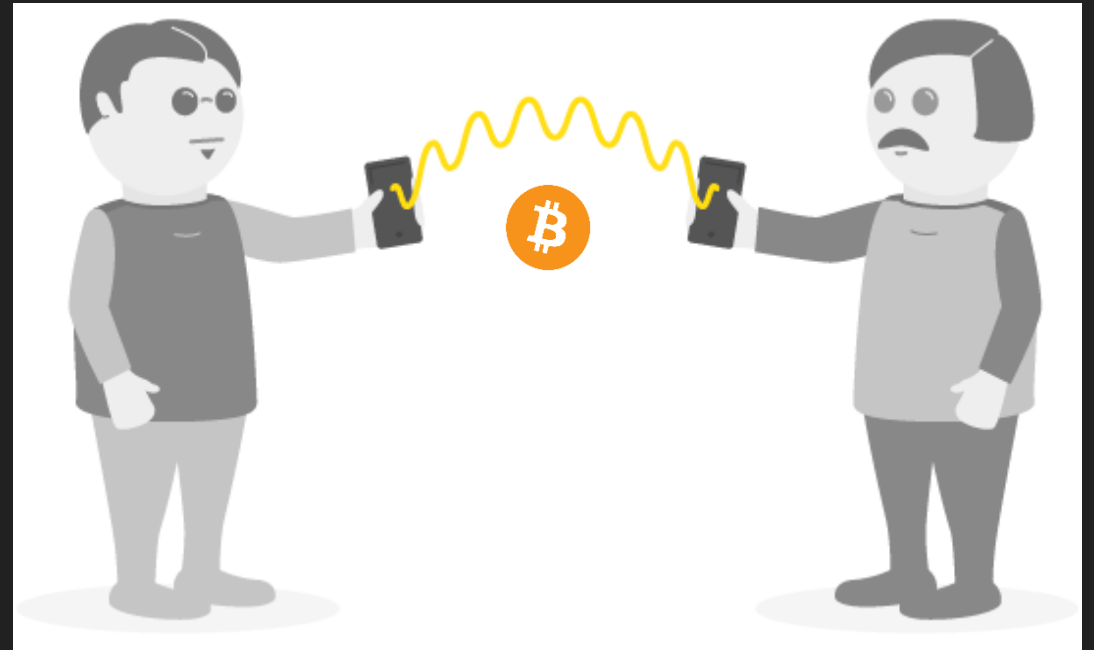
EXCHANGE	BTC CHINA	MT. GOX
LAST PRICE	5406	691.49999
VOLUME	1,353,265.92	1,014,233.28
BID	5435.13	686.70001
ASK	5449	687.00001

TRADE

Acquiring Bitcoins

- **Transfers**

People can send bitcoins to each other using mobile apps or their computers. It's similar to sending cash digitally.



Acquiring Bitcoins

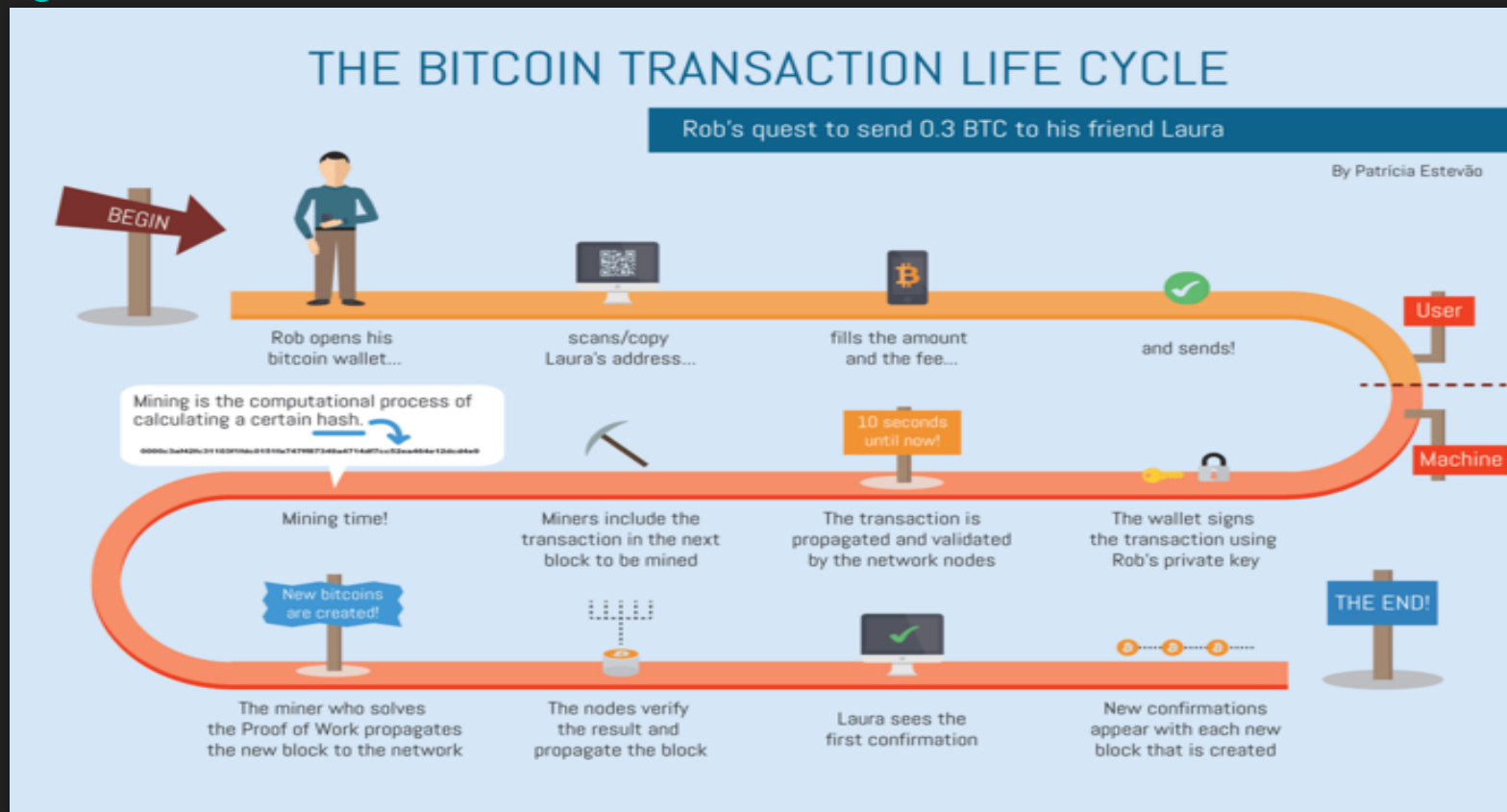
- **Mining**

People compete to “mine” bitcoins using computers to solve complex math puzzles. This is how bitcoins are created. Currently, a winner is rewarded with 12.5 bitcoins roughly every 10 minutes

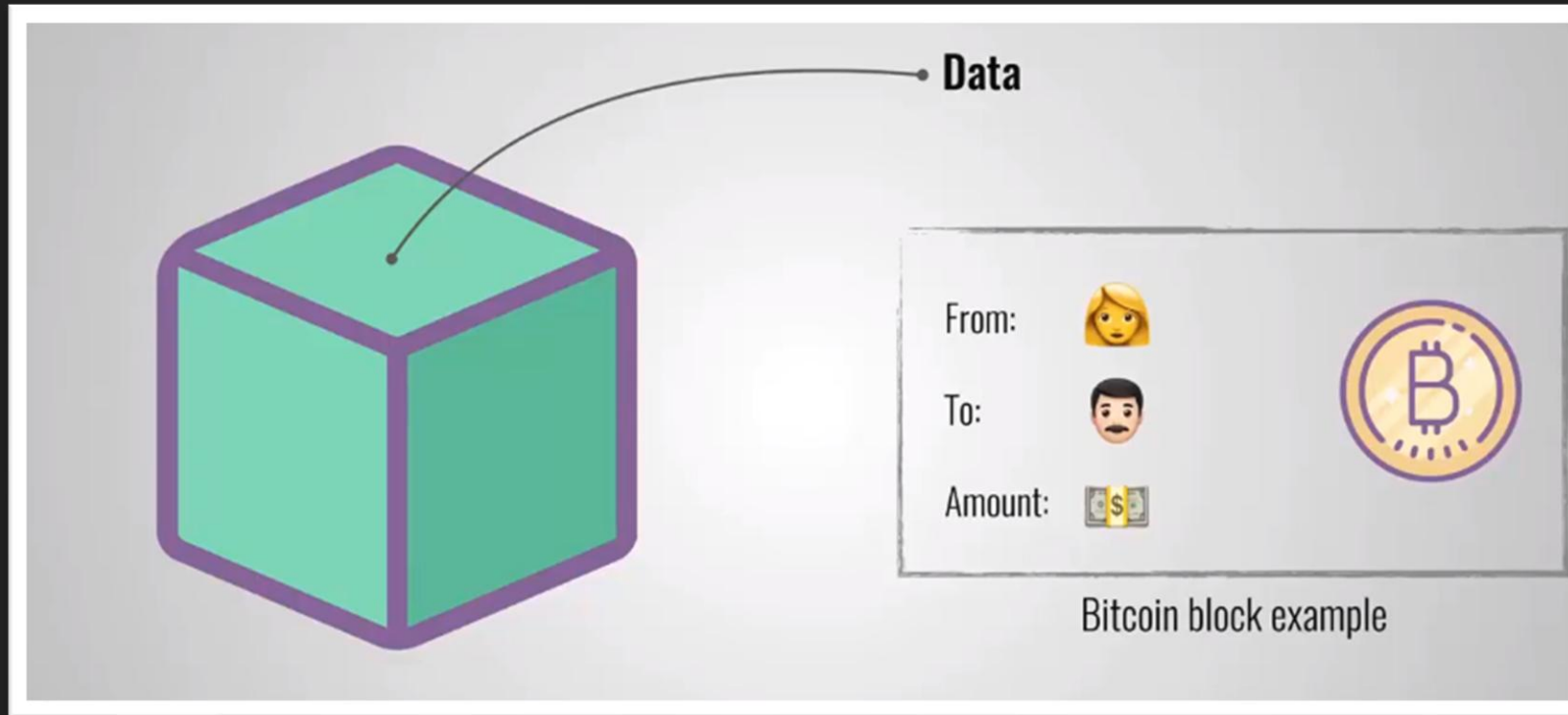
Mining and Miner

- Bitcoin miners help keep the Bitcoin network secure by approving transactions. Mining is an important and integral part of Bitcoin that ensures fairness while keeping the Bitcoin network stable, safe and secure.
- Transaction fee(optional but better to pay)
- proof-of-work : Solve a mathematical problem to find a block and store the data on it , and you get rewarded by bitcoins.

Bitcoin transaction



Bitcoin on Blockchain



Owning Bitcoins

- Bitcoins are stored in a “digital wallet,” which exists either in the cloud or on a user’s computer. The wallet is a kind of virtual bank account that allows users to send or receive bitcoins, pay for goods or save their money. Unlike bank accounts, bitcoin wallets are not insured by the FDIC.
- Wallet in cloud: Servers have been hacked. Companies have fled with clients’ Bitcoins.
- Wallet on computer: You can accidentally delete them. Viruses could destroy them.

Anonymity

- Though each bitcoin transaction is recorded in a public log, names of buyers and sellers are never revealed – only their wallet IDs. While that keeps bitcoin users' transactions private, it also lets them buy or sell anything without easily tracing it back to them. That's why it has become the currency of choice for people online buying drugs or other illicit activities.

