



## My First Bitcoin - Bali: Final Exam

Dear students,

You have done a great job so far and you should be very proud of yourselves. By deciding to learn about Bitcoin, you have taken your lives in a whole new direction. Now it's time to test your knowledge and review what you've learned over the past 10 weeks.

This test consists of 21 Multiple Choice questions and 3 open questions, where you can write a short text or some bullet points. You have 30 min to answer all questions.

Semangat!

Guru-guru favorit kalian 🧡💜

## **Part 1: Multiple Choice (only 1 answer is correct)**

### **1. What is Bitcoin?**

- A. Bitcoin is a type of stock or bond
- B. Bitcoin is a neutral and decentralized protocol that issues a new form of money
- C. Bitcoin is a trading token like the other cryptocurrencies
- D. Bitcoin is a centralized digital currency controlled by a single entity

### **2. What is the main goal of learning how to use Bitcoin?**

- A. To be in control of your own money
- B. To become a professional trader
- C. To entrust your bitcoins to a bank
- D. To create a new Bitcoin protocol

### **3. What technologies does the Bitcoin protocol use?**

- A. Cryptography, network communication, and the blockchain
- B. Quantum computing, network communication, and the blockchain
- C. Cryptography, artificial intelligence, and the blockchain
- D. Artificial intelligence, machine learning, and the blockchain

### **4. What does it mean for Bitcoin to be a neutral currency?**

- A. It is controlled by a single entity or institution
- B. It is only used for legal contracts
- C. It is not controlled by any entity or institution
- D. It is regulated by the government

### **5. Satoshi Nakamoto created the Peer-To-Peer Cash System so that we ...**

- A. Give back power to the people and have money without the need for intermediaries
- B. Buy bitcoin on a centralized exchange and upload our ID cards
- C. Can allow governments to track our transactions in the mempool
- D. Have a solution to avoid paying taxes

### **6. What is a Bitcoin transaction?**

- A. A transfer of ownership of Bitcoins, using a physical address
- B. A physical exchange of Bitcoins
- C. A transfer of ownership of Bitcoins, using a Bitcoin address
- D. A transfer of ownership of Bitcoins, using an email address

**7. What is the main aim of Bitcoin?**

- A. To make everyone rich through trading opportunities
- B. To simplify online shopping globally
- C. To separate the state from money through a decentralized network
- D. To have darknet money for criminal activities

**8. From which movement did Bitcoin originate?**

- A. From the Cypherpunks
- B. From a group of Human Rights Activists
- C. From anti-government protesters
- D. From the Libertarian

**9. What are the 3 functions of money?**

- A. Durability, divisibility, and scarcity
- B. Portability, printability, and acceptability
- C. Freedom, privacy, and censorability
- D. Store of value, medium of exchange, and unit of account

**10. What is a low-time preference?**

- A. The tendency to prioritize immediate rewards over future gains
- B. Focusing on long-term benefits and delaying gratification
- C. Making impulsive purchases for short-term excitement
- D. Never spending your bitcoin

**11. What is the Lightning Network?**

- A. An on-chain solution for everyday expenses
- B. A solution to make Bitcoin more decentralized
- C. The third layer for Bitcoin
- D. A fast and easy payment system to scale Bitcoin

**12. What could be a downside of central bank digital currencies (CBDCs)?**

- A. It could lead to a decrease in the value of Bitcoin
- B. It could restrict individuals' financial freedom and offer governments full control of their people
- C. It could lead to technical issues when making online payments
- D. It could accelerate global warming

**13. How are Bitcoin miners incentivized?**

- A. By getting discounts when buying bitcoin through an exchange
- B. By donations from the community
- C. By the block reward and the transaction fees of the mined block
- D. By the block reward only

**14. What is the main disadvantage of fiat currencies?**

- A. They are not backed by silver
- B. Their value is manipulated by government policies
- C. They are easy to be counterfeited
- D. They are not very beautiful

**15. Bitcoin enforces Human Rights, like the Right to Equality, Freedom from Discrimination, Right to Privacy, Freedom of Movement, Right to Own Property & Presumption of Innocence.**

- A. True
- B. Wrong

**16. Bitcoin is ...**

- A. Permissionless, open-source, and uncensorable
- B. Permissionless, closed-sourced, and censorable
- C. Anonymous and requires permission from the community nodes
- D. Only for the rich

**17. What is the environmental criticism of the current financial system?**

- A. It does not invest in renewable energy
- B. It promotes the use of fossil fuels
- C. It encourages overconsumption and debt
- D. It does not regulate the production of goods

**18. What does a "self-custodial" wallet refer to?**

- A. It is a Bitcoin wallet of which you are sharing the ownership of the private keys with a company
- B. It is a Bitcoin wallet of which you do not have access to the private keys
- C. It is a Bitcoin wallet of which you are the sole owner of the private keys
- D. It is a Bitcoin wallet of which you trust the wallet provider to secure your bitcoin

**19. Why do we use the Proof-of-Work in Bitcoin?**

- A. To secure Bitcoin in a centralized way
- B. To waste a lot of energy
- C. To find a solution for otherwise unused energy
- D. To secure Bitcoin in a decentralized way

**20. How to keep your bitcoin secure?**

- A. By leaving it on a centralized, regulated exchange that I can trust
- B. By storing it on my self-custody hardware wallet and having secure backups
- C. By storing it on my phone without 2-Factor-Authentication
- D. By storing it in my custody Lightning wallet

**21. What is a seed?**

- A. My public address that I can share with others
- B. A random combination of 12-14 words that gives me full ownership of my bitcoin
- C. My private key
- D. My 25th word to increase the security of my bitcoin

## Part 2: Open Questions

- 1. Why is inflation a problem for our society? Name at least 3 consequences.**
- 2. What are 3 key features of Bitcoin that distinguishes it from fiat currencies?**
- 3. How could Bitcoin help Indonesia and yourself?**

### **MFB Bali Cohort Answers:**

1. B
2. A
3. A
4. C
5. A
6. C
7. C
8. A
9. D
10. B
11. D
12. B
13. C
14. B
15. A
16. A
17. C
18. C
19. D
20. B
21. B