Bitcoin Resource: Anonymity & Challenges



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Date 22.12.19

Course – CSE499A

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# Abstract

# In this article we tried to show how bitcoin network is working despite the fact of its anonymity. We found about a fixed number of total bitcoins which was mentioned as resource of bitcoin. But we don’t know if it is really existing or any equivalent resource to bitcoin is available or not. Thus, we can say the network system could be based on a hype where the system is still working effectively. And there is one challenging thing that, those who mine bitcoin need to solve algorithm related problems, and for that very high configuration PC is required. For this, it seems from normal computer it may not be possible to mine bitcoin or it could damage the PC if it is attempted.

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# Introduction

Bitcoin is a cryptocurrency which is a digital asset designed to work as a medium of exchange that uses strong cryptography to secure financial transactions, control the creation of additional units, and verify the transfer or exchange of assets. It is an online virtual currency which is already being used based on public key cryptography, proposed in 2008 in a paper [1] written by someone named Satoshi Nakamoto as pseudonym. It is fully working from January 2009 and its broad acceptance, simplified by the presence of exchange markets allowing easy changing with conventional currencies (EUR or USD), has brought it to be the most useful digital currency.

Satoshi Nakamoto who is known as the bitcoin creator, discussed about the internet's dependence on trusted third parties such as banks and credit card companies to process electronic payments. The traditional method is still working for most transactions around the world but problems may occur when financial institutions simply the buying and selling of goods on the internet. The traditional system is used to accept a certain percentage of fraud as unavoidable. But fraud increases everyone's cost of doing business more or less. Nakamoto proposed this digital payment system that is based on cryptographic proof instead of trust.

# 2 Background

This section does not begin on a new page and should use "Heading 1" style font settings for the heading, then “Normal” style for the content.

## 2.1 First Subheading

Subheadings are sections beneath headings. These sections should use "Heading 2" style font settings.

Subheadings and sub-subheadings are not mandatory. However, if there is one subheading, there must be at least a second subheading. Otherwise, there is no reason for the subdivisions under the primary headings.

## 2.2 Second Subheading

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### 2.2.2 Second Sub-subheading

Avoid any further divisions under the sub-subheading. Otherwise, the number of divisions becomes distracting and difficult to follow.

# 3 Methodology

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# 4 Results and discussion

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# 5 Conclusions and recommendations

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# 6 Acknowledgements

This section allows authors to acknowledge contributors and other sources that are not appropriate to list in the references section. Example:

This work was conducted under Grant No. 12345, administered by X. The authors are also particularly grateful to Dr. Jane Smith for her insight into the nature of Y.

# 7 References

This is the last section of the report, prior to any appendices. The references should not be double-spaced, but single-spaced. For a technical report, use the CSE style.

[1] Nakamoto, S.: Bitcoin: A Peer-to-Peer Electronic Cash System. (2008)

[2] Reference 2 information.

[3] Reference 3 information.

# Appendix A: Place the title of appendix here

Provide appropriate appendices as necessary. Each appendix should begin on a new page.