

So, what is a Masternode

What is a Masternode?

A Masternode is a computer running a full node wallet of the desired coin, with a required amount of secured collateral in order to provide extra services to the network, and in return, receive a portion of the block reward regularly.

These services include:

- A decentralized governance.
- Validation of transactions within each block.
- It acts as an additional full node in the network.

To simplify, a masternode can provide a passive income by locking your coins up for as long as you choose and in return receive coins back regularly for doing so.

What is collateral?

This is the amount of coins required to run a Masternode.

If I put my coins or collateral into a Master-node, are they gone forever?

No, when you run a Masternode yourself the coins remain in your wallet, once you decide to stop running the Masternode the coins become "unlocked" again and are free to use.

How much is the collateral for running a Masternode?

Every coin differs in collateral amounts, in addition the collateral may change after certain blocks. You can find all info on this from the coins discord server.

What is ROI?

ROI is Return on Investment.

It is the percentage you will earn back on your initial investment based on an annual figure.

Does the ROI change?

Yes, the more Masternodes that are running, the less the ROI will become, and in return the less Masternodes running, the more the ROI.

What if I don't have enough collateral to start a Masternode?

You have a few options, you can purchase the remaining coins needed from an exchange such as Heliobank or Birake.

Or, you can put your coins into a shared masternode service.

What is a shared Masternode service?

These are services that allow a number of people to consolidate their coins in order to make a full Masternode of a particular coin in order to receive an equal return based on your share (less any fees).

Please note you should only use services recommended by the coins servers.

Alternatively you can "stake" your coins until you have enough for a full masternode.

We will cover staking in a different video.

Where will the rewards go?

The rewards will go back into your wallet you created the Masternode from.

How do I calculate ROI?

Ok, so let's use the following figures as an example. A coin's Masternodes collateral is 20,000 coins. The total block reward is 200 coins per block. And there are 600 Masternodes on the network.

To calculate the ROI you use the following equation. The Masternode reward per block (with all Decenomyncoins this is 65% of the total block reward) which is 130 coins, multiplied by the amount of blocks in a year which is 525,600 (one every minute).

Divide the answer by the amount of Masternodes currently on the network, which is 600 (available from the coins explorer).

This gives the amount of coins one masternode will make in a year. We then divide that by the collateral amount of 20,000. And finally multiply the answer by 100, to give the ROI as a percentage.

Are all coins statistics like this available online?

Yes, you can check all Decenomy and other coins statistics on vaultwatch.eu