

✓ Congratulations! You passed!

Grade received 100% To pass 100% or higher

Go to next item

1. In what way(s) could the degree of financial transparency offered by blockchain technology pose a *risk* to a firm? (Assume that the firm is reputable and behaves with integrity).

1 / 1 point

- ☐ It could increase the asymmetry of information between the firm and its shareholders
- ☐ It could decrease the perceived integrity of the firm
- ☒ It could expose the firm's competitive or strategic business information to its competitors in near real time
- ☐ All of the above



Correct

Transparency increases the risk of firms' imitating each other's trading strategies.

2. In what way(s) would the degree of financial transparency offered by blockchain technology serve as an *asset* to a firm? (Assume that the firm is reputable and behaves with integrity).

1 / 1 point

- ☐ The firm would have verifiable and immutable evidence to demonstrate that it is not corrupt.
- ☐ It would make it easier for the firm to find potential counterparties and to trace counterparty risk
- ☐ It would improve corporate governance by addressing the *empty voting phenomenon*, since ownership attribution on the blockchain would reveal who owns a stock and who has an economically justified right to vote.
- ☒ All of the above



Correct