

✔ **Congratulations! You passed!**

Grade received **100%** To pass 80% or higher

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1. Who is the “father” of smart contracts?

1 / 1 point

- ☐ Satoshi Nakamoto
- ☐ Vitalik Buterin
- ☒ Nick Szabo
- ☐ Don Tapscott



Nick Szabo is a computer scientist, legal scholar, and cryptographer who came up with the idea of smart contracts in the 1990s.

2. What is a smart contract?

1 / 1 point

- ☐ Any distributed application on a blockchain
- ☐ Any transaction between two or more parties on a blockchain
- ☒ Software that mimics the logic of an agreement and automates the execution of transactions
- ☐ All of the above



Some have used the phrase "programmatically executed transactions (PETs)" to better articulate what smart contracts do.

3. What is/are the benefit(s) of smart contracts? Select all that apply

1 / 1 point

- ☒ Smart contracts reduce transaction costs by eliminating the need for intermediaries.



Smart contracts have been likened to a vending machine, wherein the business relationship between a buyer and a seller is programmed directly into the machine.

- ☒ Smart contracts improve the security and privacy of the parties involved.



Whereas traditional contracts tend to leave security holes and are disconnected from actual control over assets, smart contracts directly control those assets and can provide far-ranging security over business dealings.

- ☒ Smart contracts help enforce the terms of an agreement by automating performance.



A smart contract can call on algorithms and sensors to decide whether the agreed-upon conditions have been met.

- ☒ Smart contracts use a control structure that enables parties to predict the contract’s outcome at any point in time.



This is especially useful in financial or legal areas, where uncertainties are high.