

## **BITCOIN**

Bitcoin ( Popularly described as Cryptocurrency, a virtual currency or a digital currency )

- It is completely virtual. i.e Digital Asset which can be bought, sold and transferred over Internet easily.
- Bitcoin, often described as a cryptocurrency, a virtual currency or a digital currency - is a type of money that is completely virtual.
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There are three main ways people get Bitcoins.

- Person can buy Bitcoins using 'real' money.
- Person can sell things and let people pay you with Bitcoins.
- Or they can be created using a computer (here comes the mining)

People have to process complex transactions through computer and the one who does the fastest is rewarded with the bitcoin.

### **Wallet**

It stores the information necessary to transact bitcoins. While wallets are often described as a place to hold or store bitcoins, due to the nature of the system, bitcoins are inseparable from the blockchain transaction ledger. A wallet is more correctly defined as something that "stores the digital credentials for your bitcoin holdings" and allows one to access (and spend) them.[7]:ch. 1, glossary Bitcoin uses public-key cryptography, in which two cryptographic keys, one public and one private, are generated.[105] At its most basic, a wallet is a collection of these keys.

Private key is to be kept secret, if you lost that private key then the bitcoins are lost as there is no intermediary to keep the record.

**Blockchain** is the technology behind the Bitcoin.

It contains Block Number, Transaction Details, previous hash key and mining key.

Every Block produces a new hash key (previous hash key + Transaction Detail) which is verified by all the blocks so that if any of the computers generates a different hash key others will prompt it to change the Data.

In this way verifiability, Tamperproof, Transparency objectives are achieved.