

QuantumLedger: Java-Only Blockchain Accounting System

Project Overview

QuantumLedger is a comprehensive Java-based blockchain accounting system designed to leverage distributed ledger technology for secure, transparent, and immutable financial record-keeping $^{[1]}$ $^{[2]}$. The system combines traditional accounting principles with blockchain technology to create a robust platform for transaction management, user authentication, and data persistence $^{[3]}$ $^{[4]}$.

Project Architecture

Core Components

The QuantumLedger system is built around four primary modules that work together to provide a complete blockchain accounting solution [1] [5]:

- 1. **Block Module**: Contains the fundamental blockchain data structure with timestamp, transaction data, previous hash, and current hash
- 2. **Blockchain Module**: Implements a LinkedList-based chain of blocks for maintaining the distributed ledger
- 3. **LedgerService Module**: Handles transaction addition and retrieval operations
- 4. UserAuth Module: Provides simple user authentication and role-based access control

Technology Stack

The project utilizes a carefully selected technology stack optimized for Java development [6] [7]:

- Java Security: java.security.MessageDigest for SHA-256 cryptographic hashing [6] [8]
- Data Persistence: JDBC with SQLite for lightweight, embedded database operations [9] [7]
- **Framework**: Maven-based project structure for dependency management and build automation [10] [11]
- **ORM**: JPA (Java Persistence API) for object-relational mapping [12] [13]

Maven Project Structure

Directory Layout

Following Maven's standard directory structure [10] [14]:

```
quantum-ledger/
  — pom.xml
  README.md
  — src/
    ├── main/
            · java/
              — com/
                └─ quantumledger/
                      — blockchain/
                         ├─ Block.java
                           — Blockchain.java
                        service/
                         LedgerService.java
                        - auth/
                         └─ UserAuth.java
                       - entity/
                           — User.java
                         └── Transaction.java
                       – util/
                         └── CryptoUtil.java
            resources/
              — META-INF/
                 persistence.xml

    application.properties

        test/
           - java/
              — com/
                uantumledger/

    □ BlockchainTest.java

   - target/
```

Maven POM Configuration

```
cproperties>
       <maven.compiler.source>11</maven.compiler.source>
       <maven.compiler.target>11</maven.compiler.target>
       project.build.sourceEncoding>UTF-8/project.build.sourceEncoding>
       <hibernate.version>5.6.15.Final</hibernate.version>
       <sqlite.version>3.42.0.0</sqlite.version>
   </properties>
   <dependencies>
       <!-- JPA/Hibernate Dependencies -->
       <dependency>
           <groupId>org.hibernate
           <artifactId>hibernate-core</artifactId>
           <version>${hibernate.version}</version>
       </dependency>
       <dependency>
           <groupId>org.hibernate
           <artifactId>hibernate-entitymanager</artifactId>
           <version>${hibernate.version}</version>
       </dependency>
       <!-- SQLite Database Driver -->
       <dependency>
           <groupId>org.xerial</groupId>
           <artifactId>sqlite-jdbc</artifactId>
           <version>${sqlite.version}</version>
       </dependency>
       <!-- SQLite Hibernate Dialect -->
       <dependency>
           <groupId>com.github.gwenn</groupId>
           <artifactId>sqlite-dialect</artifactId>
           <version>0.1.2
       </dependency>
       <!-- JSON Processing -->
       <dependency>
           <groupId>com.google.code.gson</groupId>
           <artifactId>gson</artifactId>
           <version>2.10.1
       </dependency>
       <!-- Testing Dependencies -->
       <dependency>
           <groupId>junit
           <artifactId>junit</artifactId>
           <version>4.13.2
           <scope>test</scope>
       </dependency>
   </dependencies>
</project>
```

Database Design and Schema

JPA Entity Configuration

The database schema is designed to support blockchain operations while maintaining relational integrity $\frac{[15]}{[16]}$. The system uses JPA annotations to map Java objects to database tables $\frac{[12]}{[13]}$.

Block Entity

```
@Entity
@Table(name = "blocks")
public class Block {
    0Id
    @GeneratedValue(strategy = GenerationType.IDENTITY)
    private Long id;
    @Column(name = "block_index", nullable = false)
    private int index;
    @Column(name = "timestamp", nullable = false)
    private long timestamp;
    @Column(name = "previous_hash", length = 64)
    private String previousHash;
    @Column(name = "current_hash", length = 64, nullable = false)
    private String hash;
    @Column(name = "data", columnDefinition = "TEXT")
    private String data;
    @Column(name = "nonce")
    private int nonce;
   // Constructors, getters, and setters
3
```

Transaction Entity

```
@Entity
@Table(name = "transactions")
public class Transaction {
    @Id
    @GeneratedValue(strategy = GenerationType.IDENTITY)
    private Long id;

@Column(name = "from_address", nullable = false)
    private String fromAddress;

@Column(name = "to_address", nullable = false)
    private String toAddress;
```

```
@Column(name = "amount", nullable = false)
private BigDecimal amount;

@Column(name = "timestamp", nullable = false)
private long timestamp;

@Column(name = "transaction_hash", length = 64, unique = true)
private String transactionHash;

@ManyToOne(fetch = FetchType.LAZY)
@JoinColumn(name = "block_id")
private Block block;

// Constructors, getters, and setters
}
```

User Entity

```
@Entity
@Table(name = "users")
public class User {
    @Id
    @GeneratedValue(strategy = GenerationType.IDENTITY)
    private Long id;
    @Column(name = "username", unique = true, nullable = false)
    private String username;
    @Column(name = "password_hash", nullable = false)
    private String passwordHash;
    @Enumerated(EnumType.STRING)
    @Column(name = "role", nullable = false)
    private UserRole role;
    @Column(name = "created_at", nullable = false)
    private LocalDateTime createdAt;
    // Constructors, getters, and setters
3
```

Database Schema

The SQLite database schema supports the core blockchain functionality $^{[17]}$ $^{[16]}$:

```
-- Blocks table for storing blockchain blocks

CREATE TABLE blocks (
   id INTEGER PRIMARY KEY AUTOINCREMENT,
   block_index INTEGER NOT NULL,
   timestamp INTEGER NOT NULL,
   previous_hash VARCHAR(64),
   current_hash VARCHAR(64) NOT NULL UNIQUE,
```

```
data TEXT,
    nonce INTEGER DEFAULT 0,
    created at DATETIME DEFAULT CURRENT TIMESTAMP
);
-- Transactions table for storing individual transactions
CREATE TABLE transactions (
    id INTEGER PRIMARY KEY AUTOINCREMENT,
    from address VARCHAR(255) NOT NULL,
    to_address VARCHAR(255) NOT NULL,
    amount DECIMAL(15,2) NOT NULL,
    timestamp INTEGER NOT NULL,
    transaction_hash VARCHAR(64) UNIQUE,
    block_id INTEGER,
    FOREIGN KEY (block id) REFERENCES blocks(id)
);
-- Users table for authentication and authorization
CREATE TABLE users (
    id INTEGER PRIMARY KEY AUTOINCREMENT,
    username VARCHAR(50) UNIQUE NOT NULL,
    password_hash VARCHAR(255) NOT NULL,
    role VARCHAR(20) NOT NULL CHECK (role IN ('ADMIN', 'USER', 'AUDITOR')),
    created at DATETIME DEFAULT CURRENT TIMESTAMP
);
-- Indexes for performance optimization
CREATE INDEX idx_blocks_hash ON blocks(current_hash);
CREATE INDEX idx_blocks_prev_hash ON blocks(previous_hash);
CREATE INDEX idx_transactions_hash ON transactions(transaction_hash);
CREATE INDEX idx_transactions_addresses ON transactions(from_address, to_address);
CREATE INDEX idx_users_username ON users(username);
```

JPA Configuration

The persistence.xml file configures JPA with SQLite [9] [7]:

Core Implementation

Block Implementation

The Block class represents individual blocks in the blockchain [1] [5]:

```
package com.quantumledger.blockchain;
import javax.persistence.*;
import java.security.MessageDigest;
import java.security.NoSuchAlgorithmException;
import java.nio.charset.StandardCharsets;
@Entity
@Table(name = "blocks")
public class Block {
   @Id
    @GeneratedValue(strategy = GenerationType.IDENTITY)
   private Long id;
   private int index;
   private long timestamp;
   private String previousHash;
   private String hash;
   private String data;
   private int nonce;
    public Block(int index, String data, String previousHash) {
       this.index = index:
        this.data = data;
        this.previousHash = previousHash;
        this.timestamp = System.currentTimeMillis();
        this.nonce = 0;
       this.hash = calculateHash();
   }
    public String calculateHash() {
        String input = index + timestamp + previousHash + data + nonce;
        return sha256(input);
   }
```

```
private String sha256(String input) {
        try {
            MessageDigest digest = MessageDigest.getInstance("SHA-256");
            byte[] hashBytes = digest.digest(input.getBytes(StandardCharsets.UTF_8));
           StringBuilder hexString = new StringBuilder();
            for (byte b : hashBytes) {
                String hex = Integer.toHexString(0xff & b);
                if (hex.length() == 1) {
                    hexString.append('0');
                }
                hexString.append(hex);
            }
            return hexString.toString();
        } catch (NoSuchAlgorithmException e) {
            throw new RuntimeException("SHA-256 algorithm not available", e);
        }
   3
   public void mineBlock(int difficulty) {
        String target = new String(new char[difficulty]).replace('\0', '0');
        while (!hash.substring(0, difficulty).equals(target)) {
            hash = calculateHash();
        3
   }
   // Getters and setters
7
```

Blockchain Implementation

The Blockchain class manages the chain of blocks using a LinkedList structure [1] [5]:

```
package com.quantumledger.blockchain;
import java.util.LinkedList;
import java.util.List;

public class Blockchain {
    private LinkedList<Block> chain;
    private int difficulty;

public Blockchain() {
        this.chain = new LinkedList<>();
        this.difficulty = 4; // Adjustable mining difficulty
        createGenesisBlock();
    }

private void createGenesisBlock() {
        Block genesis = new Block(0, "Genesis Block", "0");
        genesis.mineBlock(difficulty);
        chain.add(genesis);
}
```

```
public Block getLatestBlock() {
        return chain.getLast();
   }
    public void addBlock(Block newBlock) {
        newBlock.setPreviousHash(getLatestBlock().getHash());
        newBlock.mineBlock(difficulty);
        chain.add(newBlock);
   3
    public boolean isChainValid() {
        for (int i = 1; i < chain.size(); i++) {</pre>
            Block currentBlock = chain.get(i);
            Block previousBlock = chain.get(i - 1);
            if (!currentBlock.getHash().equals(currentBlock.calculateHash())) {
                return false;
            }
            if (!currentBlock.getPreviousHash().equals(previousBlock.getHash())) {
                return false;
            }
        return true;
   3
   public List<Block> getChain() {
        return new LinkedList<>(chain);
   }
3
```

LedgerService Implementation

The LedgerService handles transaction operations and blockchain management [2] [4]:

```
package com.quantumledger.service;
import com.quantumledger.blockchain.Block;
import com.quantumledger.blockchain.Blockchain;
import com.quantumledger.entity.Transaction;
import javax.persistence.EntityManager;
import javax.persistence.EntityManagerFactory;
import javax.persistence.Persistence;
import java.math.BigDecimal;
import java.util.List;
public class LedgerService {
    private Blockchain blockchain;
   private EntityManagerFactory emf;
   public LedgerService() {
        this.blockchain = new Blockchain();
        this.emf = Persistence.createEntityManagerFactory("quantumLedgerPU");
   }
```

```
public void addTransaction(String fromAddress, String toAddress, BigDecimal amount) {
    EntityManager em = emf.createEntityManager();
    try {
        em.getTransaction().begin();
        // Create transaction entity
        Transaction transaction = new Transaction();
        transaction.setFromAddress(fromAddress);
        transaction.setToAddress(toAddress);
        transaction.setAmount(amount);
        transaction.setTimestamp(System.currentTimeMillis());
        transaction.setTransactionHash(generateTransactionHash(transaction));
        // Create new block with transaction data
        String transactionData = createTransactionData(transaction);
        Block newBlock = new Block(blockchain.getChain().size(), transactionData,
                                 blockchain.getLatestBlock().getHash());
        // Add block to blockchain
        blockchain.addBlock(newBlock);
        // Persist to database
        em.persist(transaction);
        persistBlock(em, newBlock);
        em.getTransaction().commit();
    } catch (Exception e) {
        em.getTransaction().rollback();
        throw new RuntimeException("Failed to add transaction", e);
    } finally {
        em.close();
}
public List<Transaction> getTransactionHistory() {
    EntityManager em = emf.createEntityManager();
    try {
        return em.createQuery("SELECT t FROM Transaction t ORDER BY t.timestamp DESC'
                            Transaction.class).getResultList();
    } finally {
        em.close();
    3
3
public BigDecimal getBalance(String address) {
    EntityManager em = emf.createEntityManager();
    try {
        BigDecimal incoming = em.createQuery(
            "SELECT COALESCE(SUM(t.amount), 0) FROM Transaction t WHERE t.toAddress =
            BigDecimal.class)
            .setParameter("address", address)
            .getSingleResult();
        BigDecimal outgoing = em.createQuery(
            "SELECT COALESCE(SUM(t.amount), 0) FROM Transaction t WHERE t.fromAddress
```

```
BigDecimal.class)
                .setParameter("address", address)
                .getSingleResult();
            return incoming.subtract(outgoing);
        } finally {
            em.close();
        3
    }
    private String generateTransactionHash(Transaction transaction) {
        // Implementation using MessageDigest for transaction hashing
        String data = transaction.getFromAddress() + transaction.getToAddress() +
                     transaction.getAmount() + transaction.getTimestamp();
        return sha256(data);
    }
    // Additional helper methods...
3
```

UserAuth Implementation

The UserAuth class provides authentication and role-based access control [18] [19]:

```
package com.quantumledger.auth;
import com.quantumledger.entity.User;
import com.quantumledger.entity.UserRole;
import javax.persistence.EntityManager;
import javax.persistence.EntityManagerFactory;
import javax.persistence.Persistence;
import java.security.MessageDigest;
import java.security.NoSuchAlgorithmException;
import java.nio.charset.StandardCharsets;
public class UserAuth {
    private EntityManagerFactory emf;
   private User currentUser;
    public UserAuth() {
        this.emf = Persistence.createEntityManagerFactory("quantumLedgerPU");
   }
    public boolean authenticate(String username, String password) {
        EntityManager em = emf.createEntityManager();
        try {
            User user = em.createQuery("SELECT u FROM User u WHERE u.username = :username
                         .setParameter("username", username)
                         .getSingleResult();
            String hashedPassword = hashPassword(password);
            if (user.getPasswordHash().equals(hashedPassword)) {
                this.currentUser = user;
                return true;
```

```
} catch (Exception e) {
        // User not found or other error
    } finally {
        em.close();
    }
    return false;
}
public boolean hasPermission(String operation) {
    if (currentUser == null) {
        return false;
    }
    switch (currentUser.getRole()) {
        case ADMIN:
            return true; // Admin has all permissions
        case AUDITOR:
            return operation.equals("VIEW") || operation.equals("AUDIT");
        case USER:
            return operation.equals("VIEW") || operation.equals("ADD_TRANSACTION");
        default:
            return false;
    3
}
public void createUser(String username, String password, UserRole role) {
    EntityManager em = emf.createEntityManager();
    try {
        em.getTransaction().begin();
        User user = new User();
        user.setUsername(username);
        user.setPasswordHash(hashPassword(password));
        user.setRole(role);
        user.setCreatedAt(java.time.LocalDateTime.now());
        em.persist(user);
        em.getTransaction().commit();
    } catch (Exception e) {
        em.getTransaction().rollback();
        throw new RuntimeException("Failed to create user", e);
    } finally {
        em.close();
    3
}
private String hashPassword(String password) {
    try {
        MessageDigest digest = MessageDigest.getInstance("SHA-256");
        byte[] hashBytes = digest.digest(password.getBytes(StandardCharsets.UTF_8));
        StringBuilder hexString = new StringBuilder();
        for (byte b : hashBytes) {
            String hex = Integer.toHexString(0xff & b);
            if (hex.length() == 1) {
                hexString.append('0');
```

```
    hexString.append(hex);
}
    hexString.toString();
} catch (NoSuchAlgorithmException e) {
    throw new RuntimeException("SHA-256 algorithm not available", e);
}

public User getCurrentUser() {
    return currentUser;
}

public void logout() {
    this.currentUser = null;
}
```

Benefits and Applications

Blockchain Accounting Advantages

The QuantumLedger system provides several key benefits over traditional accounting systems [20] [4]:

- 1. **Enhanced Security**: Cryptographic hashing and immutable record-keeping prevent data tampering and fraud [21] [22]
- 2. **Improved Transparency**: All authorized participants have access to the same ledger, providing clear audit trails [20] [23]
- 3. **Real-time Auditing**: Transactions can be verified and audited in real-time, reducing compliance costs [22] [23]
- 4. **Reduced Costs**: Automated processes and reduced reconciliation efforts lead to significant cost savings [21] [23]
- 5. **Data Integrity**: Blockchain's immutable nature ensures that once recorded, transactions cannot be altered [4] [22]

Use Cases

The system is particularly well-suited for [24] [25]:

- **Small to Medium Enterprises**: Simplified accounting processes with enhanced security [3] [25]
- Internal Audits: Real-time verification and tamper-proof records [22] [23]
- Supply Chain Finance: Transparent tracking of financial flows across multiple parties [20] [4]
- Regulatory Compliance: Automated reporting and immutable audit trails [22] [23]

Security Considerations

Cryptographic Security

The system implements robust security measures [6] [26]:

- SHA-256 Hashing: Industry-standard cryptographic hashing for data integrity [6] [8]
- **Digital Signatures**: Transaction authentication using cryptographic signatures [27] [28]
- Access Control: Role-based permissions for different user types [18] [19]
- Data Encryption: Sensitive data protection through encryption techniques [21] [26]

Best Practices

Following Java blockchain security best practices [26] [25]:

- 1. Input Validation: All user inputs are validated and sanitized to prevent injection attacks [26]
- 2. Secure Key Management: Proper handling and storage of cryptographic keys [26]
- 3. Regular Security Audits: Continuous monitoring and assessment of system security [26]
- 4. Multi-factor Authentication: Enhanced user authentication mechanisms [26]

Development and Testing

Testing Strategy

The project includes comprehensive testing approaches [1] [5]:

```
package com.quantumledger;
import com.quantumledger.blockchain.Block;
import com.quantumledger.blockchain.Blockchain;
import org.junit.Test;
import static org.junit.Assert.*;
public class BlockchainTest {
   @Test
    public void testBlockchainCreation() {
       Blockchain blockchain = new Blockchain();
       assertNotNull(blockchain);
       assertEquals(1, blockchain.getChain().size());
       assertTrue(blockchain.isChainValid());
   3
    @Test
    public void testBlockAddition() {
       Blockchain blockchain = new Blockchain();
       Block newBlock = new Block(1, "Test Transaction", blockchain.getLatestBlock().get
       blockchain.addBlock(newBlock);
```

```
assertEquals(2, blockchain.getChain().size());
assertTrue(blockchain.isChainValid());
}

@Test
public void testChainValidation() {
    Blockchain blockchain = new Blockchain();

    // Add valid blocks
    blockchain.addBlock(new Block(1, "Transaction 1", blockchain.getLatestBlock().get blockchain.addBlock(new Block(2, "Transaction 2", blockchain.getLatestBlock().get
    assertTrue(blockchain.isChainValid());

    // Tamper with a block
    blockchain.getChain().get(1).setData("Tampered Data");
    assertFalse(blockchain.isChainValid());
}
```

Performance Optimization

The system is designed for optimal performance [29] [26]:

- Efficient Data Structures: LinkedList implementation for blockchain operations [1] [5]
- Database Indexing: Strategic indexes on frequently queried fields [16] [30]
- Connection Pooling: Optimized database connection management [9] [7]
- Caching Strategies: In-memory caching for frequently accessed data [29] [26]

Future Enhancements

Scalability Improvements

Potential enhancements for enterprise deployment $\frac{[17]}{[29]}$:

- 1. **Distributed Network Support**: Multi-node blockchain network implementation [17] [29]
- 2. Smart Contracts: Automated contract execution capabilities [22] [24]
- 3. **Advanced Consensus Mechanisms**: Implementation of Proof-of-Stake or other consensus algorithms [5] [31]
- 4. Integration APIs: REST APIs for third-party system integration [11] [25]

Advanced Features

Additional functionality for comprehensive accounting systems [23] [32]:

- **Regulatory Reporting**: Automated compliance reporting features [22] [23]
- Multi-currency Support: Support for multiple currencies and exchange rates [25] [23]
- Advanced Analytics: Business intelligence and reporting capabilities [2] [23]

• Mobile Applications: Mobile interfaces for remote access [24] [32]

Conclusion

QuantumLedger represents a significant advancement in blockchain-based accounting systems, combining the security and transparency of distributed ledger technology with the reliability and performance of Java enterprise development $^{[1]}$ $^{[4]}$. The system's modular architecture, comprehensive security features, and robust database design make it suitable for a wide range of accounting applications, from small business bookkeeping to enterprise-level financial management $^{[3]}$ $^{[25]}$.

The implementation demonstrates how blockchain technology can be effectively integrated into traditional accounting workflows, providing enhanced security, improved transparency, and reduced operational costs while maintaining compatibility with existing business processes [20] [23]. As blockchain technology continues to evolve, QuantumLedger provides a solid foundation for future enhancements and enterprise-scale deployments [17] [32].



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