**Lama Alabdalaal - Bitcoin Whitepaper Assignment**

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1. What problem did Bitcoin solve? How important is the invention of Bitcoin?

As Bitcoin delivered a decentralized digital payment method, it overcame the significant issues of traditional money. In first place, it handled the trust issues by having more control of ownership of our money instead of dealing with a centralized path by government authorities. Moreover, it ensures privacy and transparency achieved through making transactions that are publicly announced using anonymous specific types of keys called public key. Bitcoin cryptocurrency guarantee the prevention of spending the cryptocurrency twice through generating a timestamp public history of all transactions. It also saves costs via supporting making small and irreversible transactions.

1. How would you explain a blockchain to someone who doesn't know what it is?

It’s a chain of blocks where the blocks act as decentralized ledger that record all transactions on a public and timeline basis. A blockchain ensure to provide everyone details about the timestamps and addresses of where the correspondent digital asset has previously been in order to deliver accuracy and security. The blockchain utilized by a timestamp server that takes a hash of a block, which is mathematical function that converts an input value into a compressed numerical value, and then announces the hash publicly. As the timestamp server accept the existence transaction, each additional timestamp will include the previous timestamp in its hash. As a result of having a chronological series of all historical public transactions to prevent double-spending.

1. Do you think Bitcoin could one day be a world reserve currency? Why or why not?

On my opinion, Bitcoin could be a world reserve currency in the extent of particular situation. To begin with, Bitcoin as being the first digital cryptocurrency to deliver peer-to-peer electronic payment system would suitable to function as a reserve currency. I think only countries that are facing a high level of trust issues regarding their government monetary policy or have weak financial regime is more likely to consider this approach. Furthermore, I believe countries could adopt Bitcoin as currency to build more efficient and effective financial system to enhance their communities to trust the system and acknowledge the interest to act and apply the new electronic payment method.