

Table of Contents

Introduction to Ethereum

2 Setting a Development Machine

3 Hands-on Smart Contracts



Ethereum

Ethereum is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third party interference.

— https://ethereum.org





Key Milestones:

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- (October 16, 2017) Launch of Metropolis (vByzantium) –version 3
- (2017) ETH goes from \$7 to more than \$700 (100x increase)

Check the nice infographic (Invezz, 2017).

Also, see the official Ethereum White Paper.



Store of value



Figure: ETH price (Coindesk, 2017)



Decentralization

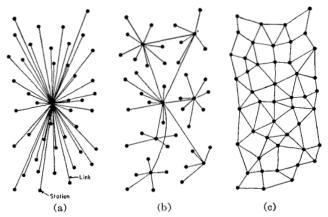


Fig. 1—(a) Centralized. (b) Decentralized. (c) Distributed networks.



Client Types

• Full node



7 / 49



Client Types

- Full node
- Light node



7 / 49



Client Types

- Full node
- Light node
- Something in between (e.g. "fast" for geth)



Full Archive Ethereum node

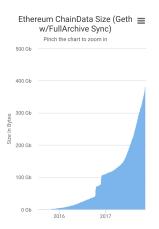


Figure: Miners need a lot of space (Reddit, 2017)



Ethereum vs. Bitcoin

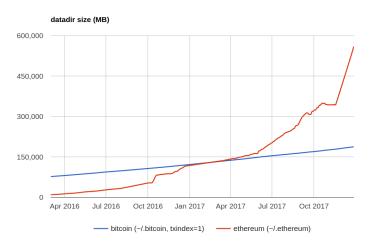


Figure: Disk space used by Geth (fast) vs. Bitcoin (Daniel, 2017)



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 Ethereum DEV
 December 30, 2017
 9 / 49

With Geth --syncmode fast (default mode)

This mode initializes a \sim 20 GB database, then turns in full node.

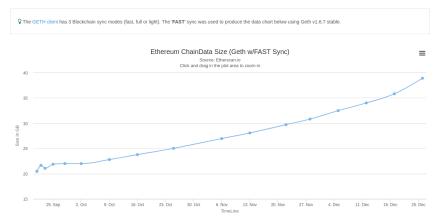


Figure: Disk space used by Geth (in fast mode) (Etherscan, 2017)



10 / 49

Parity allows for continuous state trie pruning

In green, the configuration running as full node. A light client can fit in ${\sim}5$ MB.

ID	Pruning Mode	Database Configuration	Block Verification	Available Blocks	Available States	Chaindata Size	Parity CLI Flags to use this configuration
(Archive	+Fat +Trace	Full	All	All	385.000 GB	pruning archivetracing onfat-db on
- 1	Archive	+Trace	Full	All	All	334.000 GB	pruning archivetracing on
- 2	Archive		Full	All	All	326.000 GB	pruning archive
- 3	Fast	+Fat +Trace	Full	All	Recent	37.000 GB	tracing onfat-db on
4	Fast	+Trace	Full	All	Recent	34.000 GB	tracing on
	Fast		Full	All	Recent	26.000 GB	no-warp
(Fast	+Warp	Ancient-PoW-Only	All	Recent	25.000 GB	
7	Fast	+Warp -Ancient	No-Ancient	Recent	Recent	5.300 GB	no-ancient-blocks
8	Light		Headers-Only	None	None	0.005 GB	light

Figure: Disk space used by Parity (Afri, 2017)



Practical Applications

for personal or business use

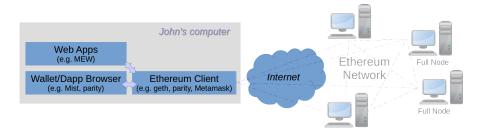






Table of Contents

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Assumptions & Recommendations

- 1) Ethereum Node, Wallet, Smart Contracts, and Dapps:
 - Linux machine (Ubuntu 16.04 / Linux Mint 18.x –until April 2021)
 - Parity (or Geth)
 - A Solidity compiler
- 2) Quick setup, Portable, for Users and Developers on the go:
 - Chrome browser (or Chromium) –any OS
 - Metamask Extension
 - Remix IDE



Parity



Figure: The Parity client syncing

- Typical Account Management, multi-sig, hardware support
- Access Dapps directly (e.g. app to create an ERC-20 token)
- Code editor and Solidity compiler for smart contracts
- Fast and reliable (written in Rust)
- Most OS, Docker images; and compliant with JSON-RPC API



Lab 1: set up a full Development Environment

Installing Parity



16 / 49



Installing Parity



 $\rm https://www.youtube.com/watch?v{=}WNT2O6xyDmM \mbox{ (Windows-based, 16 min)}$

- Go to https://www.parity.io
- 2 Download the relevant binaries, e.g. on Linux:
- Oheck the checksum: \$ md5sum parity_1.7.11_amd64.deb
- Install: \$ sudo dpkg -i parity_1.7.11_amd64.deb
- ⑤ Check the version: \$ parity -v



Run Parity on the Kovan Testnet

Then go to http://localhost:8180 (or http://web3.site if online), and follow the instructions.

- After reading the legal terms and conditions, you can create your first account.
- Click on the top left-most logo (yellow bars) to see the status of your node.
- It may take 60+ minutes to sync!



18 / 49

Try running your first Dapp

Follow the tutorial at

https://github.com/paritytech/parity/wiki/Tutorial-Part-1.

On Linux Ubuntu, make sure you have npm, and make a soft link to node before running init.sh:

```
$ sudo apt install npm
```



sudo ln -s /usr/bin/nodeis /usr/bin/node

^{\$./}init.sh

Lab 1 (b): set up a full Development Environment

Installing Geth



20 / 49



Installing Geth

Instructions (all OS) at

https://github.com/ethereum/go-ethereum/wiki/Building-Ethereum.

```
$ sudo apt-get install software-properties-common
$ sudo add-apt-repository -y ppa:ethereum/ethereum
$ sudo apt-get update
```

Run the first line to install the full suite (geth, bootnode, evm, disasm, rlpdump, ethtest), or the second line for geth only:

```
$ sudo apt-get install ethereum
$ sudo apt-get install geth
```



Installing a Solidity Compiler

Provided the previous steps were completed:

```
$ sudo apt-get install solc
$ which solc
```

And in geth, to let it know where solc can be found:

```
$ admin.setSolc("/usr/bin/solc")
```

Now test the code by following the instructions at https://github.com/ethereum/go-ethereum/wiki/Contract-Tutorial



And you still need a wallet

Options:

- Mist Browser (beta) (featured on the right, see also the recent security warning re. Chromium)
- MyEtherWallet (MEW) supports advanced features including hardware wallets



Mist Browser (beta) https://wallet.ethereum.org



Table of Contents

Introduction to Ethereum

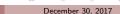
Setting a Development Machine

3 Hands-on Smart Contracts



Let's have some fun!





Install MetaMask

Follow step by step:

- Install the Chrome/Chromium extension
- Watch the intro on Youtube
- Create an account
- Switch to the Ropsten Testnet (top-left in MetaMask)
- Fill your account with Ether from https://faucet.metamask.io



https://metamask.io



Create your own (ERC-20) token





- Use the Token Factory Dapp at https://tokenfactory.surge.sh/#/factory
- MetaMask will pop up (see picture above)
- Submit the transaction (on the Ropsten Testnet)
- **O** Check your transaction on https://ropsten.etherscan.io



Marc Lijour Ethereum DEV December 30, 2017 27 / 49

Check your Smart Contract

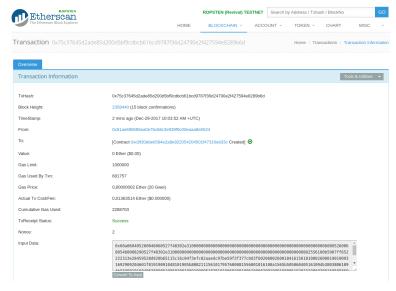


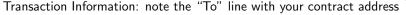
- Select the "Sent" tab
- Check the orange Copy icon (Tx Hash)
- Click on "Contract Published"
- That should bring you to Etherscan (see next page)





Verify the status of your transaction on Etherscan





Watch your Token





- Olick on the "Add Token" button
- Wait for the next window (picture on the right)
- Oppy your contract address (from Etherscan)
- Go back to your Token Factory tab, which should show an UI to interact with your contract or go to the URL: https://tokenfactory.surge.sh/#/token/0x... (replace 0x... by your contract address)
- Move coins around
- In MetaMask, click on your token to check the tx on Etherscan

290

30 / 49

Too easy?

Let's code it in Solidity like the pros!



Coding your first ERC-20 Smart Contract



- **1** Open the Remix IDE at https://remix.ethereum.org
- Close the ballot file
- Oreate a new file named TokenRecipient.sol
- Oppy the code from https://ethereum.org/token (second white box, under "The Code", starting with "pragma")
- Switch to the "Run" tab (top-right bar, after Compile)

Reference:

ERC-20 Token Standard



32 / 49

Compiling Successfully



- Two green boxes should show on the right
- TokenERC20 is the name of the contract (class)
- tokenRecipient is the name of the interface
- Switch to the "Run" tab (top right)



Submitting the Smart Contract



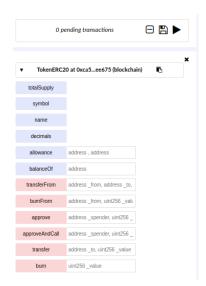
- Under the dropdown showing "TokenERC20", add a number (total amount of tokens to issue) and two strings (the latter is the token symbol)
- Add enough gas (top right, try 30)
- Olick Create and check whether MetaMask needs confirmation



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Interacting with the contract

 A new interface will pop up on the bottom right corner of the IDF





35 / 49

Let's create our own permission-based private Blockchain based on Ethereum!



PoA: Proof of Authority



- PoA: Proof of Authority
- PoA is another type of consensus algorithm (not PoW), with no mining required





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- The Kovan test network, Hyperledger and Ripple run on a PoA
- Parity supports two PoA consensus algorithm: Aura, and Tendermint (experimental)
- Let's follow Parity's Demo PoA tutorial
- Simple Hands-on at https://github.com/marclijour/parity-poa-tutorial



December 30, 2017

Objectives:

- Setup two connected nodes on one machine (for demo)
- Gain familiarity with Parity (UI and command line)
- Gain a better understanding of diverse types of blockchain (public/private, permissionless/permission-based) and different types of consensus algorithms



38 / 49



Step 1: download the files

This tutorial assumes than you have installed Parity. Instructions are shown for a machine running Linux Ubuntu. The first step consists in cloning the GitHub repo in your machine. You'll run command from within that directory.

\$ git clone https://github.com/marclijour/parity-poa-tutorial.git



December 30, 2017

Step 2: create nodes and accounts

From the "parity-poa-tutorial" directory, open two terminals and type one line in each:

```
$ parity --config node0.starthere
$ parity --config node1.starthere
```

Open another console and run these scripts:

```
$ ./create_first_authority_address_on_node0.sh
```



^{\$./}create_second_authority_address_on_node1.sh

^{\$./}create_user__address_on_node0.sh

Step 3: start the chain on PoA

In two separate terminals, restart parity with this new configuration.

```
$ parity --config node0.toml
```





^{\$} parity --config node1.toml

Parity's Demo PoA tutorial - Step 4: setup the Parity UI

Open two different windows or tabs in your browser for node 0 (at http://localhost:8181) and node 1 (at http://localhost:8182).



Restore the accounts as above:

- on node 0: node0 (password = node0), and user (password = user)
- on node 1: node1 (password = node1)



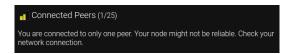
 Marc Lijour
 Ethereum DEV
 December 30, 2017
 42 / 49

Step 4: connect the nodes with each other

Check the console were you started node 0, and look for the Public Node URL. It should ressemble something like this: enode://<long hash>@<IP Address>:<Port Number>



Go to the Status tab (the leftmost tab) in the Web UI for node 1, and look for the Network Peers section. Click on ADD RESERVED, and copy the URL (including enode://).



Check the console output and the Web UI. Both should acknowledged another peer (1/25 Peers instead of 0/25 Peers).

Step 5: send transactions

Run the following scripts and watch the balance for each account in the Web Uls.

```
$ send_from_user_to_node0_account.sh
$ send_from_user_to_node1_account.sh
```

You can also try in a separate console, where you can read the JSON-formatted response.

```
$check_balance_in_node0_account.sh
$check_balance_in_node1_account.sh
```





Step 6: add nodes to the network

Run parity with the right chain specification and let other nodes know (by adding them by enode URL). You just need the demo-spec.json file to get started.

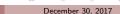
\$ parity --chain demo-spec.json



December 30, 2017

It's the beginning of a rewarding journey...





Next Steps and Recommended Readings

- Starting on Blockchain: key learning resources
- Parity Wiki (e.g. Token Deployment)
- Ethereum White Paper and Wiki
- MOOCs: Udemy (Solidity), edX (Hyperledger)
- Building Blockchain Projects: Building decentralized Blockchain applications with Ethereum and Solidity by Narayan Prusty (2017) -check the section on Proof of Authority (PoA)

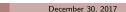


Thank you!

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Twitter: @marclijour





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Marc Lijour Ethereum DEV December 30, 2017 49 / 49