

Cryptoassets

LATEST SUBMISSION GRADE

80%

1. What is a *cryptoasset*?

0 / 1 point

- ☐ A cryptoasset is a digital representation of a physical asset.
- ☐ A cryptoasset is the same as a cryptocurrency, and these terms can be used interchangeably.
- ☒ A cryptoasset is any digital asset that has value and can be bought or sold online.
- ☐ A cryptoasset is a digital asset that uses cryptography, a peer-to-peer network, and a public ledger to regulate the creation of new units, to verify transactions, and to secure transactions without a middleman.

**Incorrect**

Please review the video "Intro to Cryptoassets" in Module 1, Lesson 1 for more information.

2. Utility tokens (or "app coins") are primarily designed to:

1 / 1 point

- ☐ function as cash for the Internet
- ☒ provide consumers with access to services or resources within a DApp
- ☐ pay for the computational costs required to execute smart contracts as part of a DApp
- ☐ represent tangible goods, such as gold or oil, in in peer-to-peer markets

**Correct**

This is the primary purpose of a utility token (a.k.a. an "app coin").

3. Zcash and other "privacy coins" are examples of this type of cryptoasset:

1 / 1 point

- ☒ Cryptocurrencies
- ☐ Protocol tokens
- ☐ Utility tokens (app coins)
- ☐ Crypto-collectibles

**Correct**

Zcash and other "privacy coins" are examples of cryptocurrencies.

4. *Protocol tokens* are primarily designed to:

1 / 1 point

- ☐ Function as cash for the Internet
- ☐ Serve as a way for DApps to raise funds
- ☒ Pay for the computational costs required to execute smart contracts as part of a DApp
- ☐ Make central banks more responsive to crises and shocks

**Correct**

This is the primary purpose of a protocol token.

5. *Security tokens* are:

1 / 1 point

- ☒ Digital bearer assets that are native to blockchain
- ☐ An on-chain representation of an off-chain security
- ☐ A form of incentive provided to nodes for increasing network security
- ☐ A type of cryptoasset used in IoT devices to prevent malicious attacks

**Correct**

This includes native stocks, bonds, dividends, and futures, for example.

6. Royal Mint Gold (RMG) was an example of this type of cryptoasset:

1 / 1 point

- ☐ Crypto-fiat currency
- ☒ Commodity Token
- ☐ Security token
- ☐ Crypto-collectible

**Correct**

Royal Mint Gold is an example of a commodity token.

7. *CryptoKitties* are a type of:

0 / 1 point

- ☐ Commodity token
- ☐ Utility token
- ☒ Security token
- ☐ Crypto-collectible



Incorrect

Please refer to the content in Module 1, Lesson 2 for more information.

8. How does a stablecoin minimize price volatility?

1 / 1 point

- ☐ By varying the level of difficulty associated with mining a block
- ☐ By controlling the total number of participants in the network
- ☒ By pegging its value to an underlying asset, such as a fiat currency or commodity
- ☐ By permitting a central authority to control the block size



Correct

This is how a stablecoin minimizes price volatility.

9. Why is the term “Initial Coin Offering (ICO)” a misnomer?

1 / 1 point

- ☒ Because investors aren't buying “coins” per se, but rather cryptoassets or tokens that can represent many different things (e.g. network access, securities, carbon credits etc.)
- ☐ Because ICOs are essentially no different from existing crowdfunding platforms, such as *Kickstarter* or *Indiegogo*.
- ☐ Because the process of raising equity capital through an ICO is identical to that of Initial Public Offerings (IPOs) and Private Investments in Public Equities (PIPEs), which hasn't changed since the 1930s.
- ☐ All of the above



Correct

A better term would be “Token Generation Events.”

10. What is/are the main **benefit(s)** of ICOs?

1 / 1 point

- ☐ Startups that raise funds using ICOs are unlikely to fail.
- ☒ With no minimum investments, anyone in the world—even the poorest and most remote people—can become a venture capital investor
- ☐ The proliferation of ICOs will serve to increase the number of jobs in brokerages, investment banks, stock exchanges, and other third-party crowdfunding companies.
- ☐ All of the above

**Correct**

ICOs enable more people to participate in the global economy.