Blockchain Council

Certified Blockchain Architect

Blockchain Functional Risks

Transaction Costs

- In Blockchain, a transaction is defined as a small unit of task that is stored in public records. To get those transaction validated, a client needs to pay small amount of fees which gets those transactions confirmed.
- A client needs to set an amount for getting their Transactions executed, the higher the amount, and the chances are more of getting the transactions executed first or it may also vary on the older transaction.
- There is also a consensus fee, which is followed by all the trusted miners and this fee act as a benchmark for the transaction fee based on the block and the priority
- Let's understand the Transaction Cost using the chart from blockchain.com you can access the chart using this link

Transaction Cost Chart

Cost per Transaction

A chart showing miners revenue divided by the number of transactions.

Source: blockchain.com
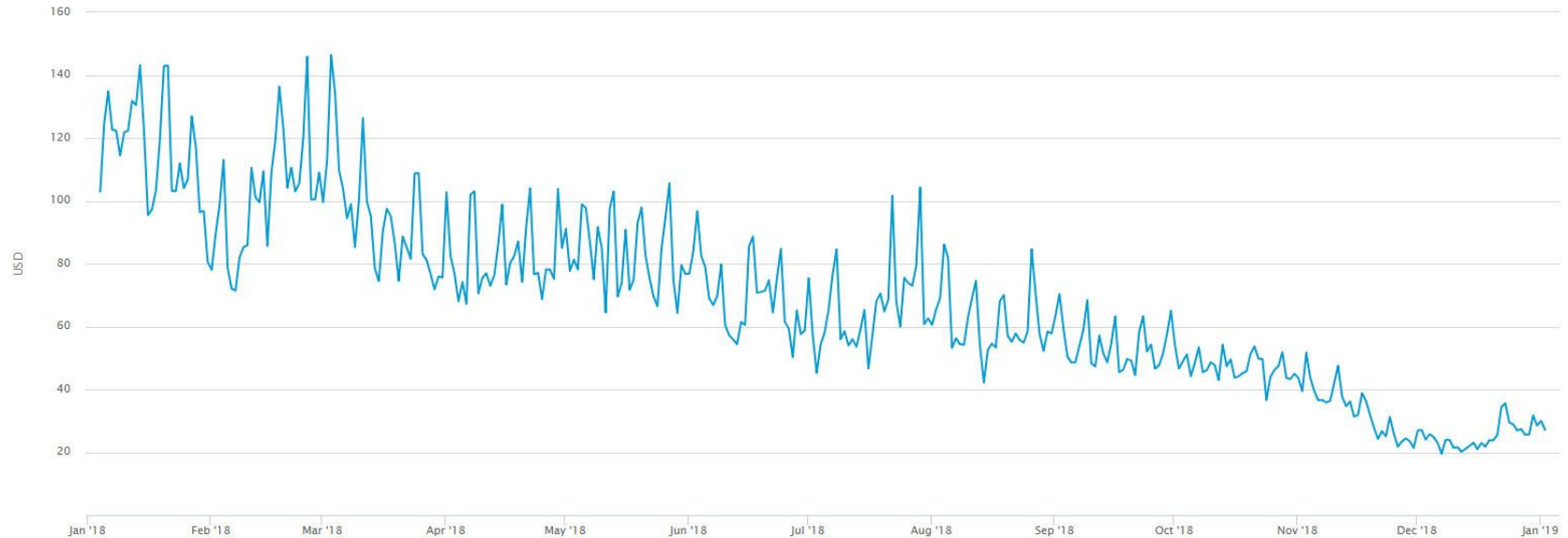
Technical Details

- Charts are simply graphical representations of a series of prices over time.
- The common denominator is that price is typically on the Y-axis and time is usually on the X-axis.
- Charts are extremely useful to identify current trends and trend reversals, and to trigger buy and sell signals. Below is the current trend analysis as on 02/01/2019

Cost per Transaction

$27.12

$146.25

$119.61

$92.97

$66.33

$39.69

2018-01-04

2019-01-02
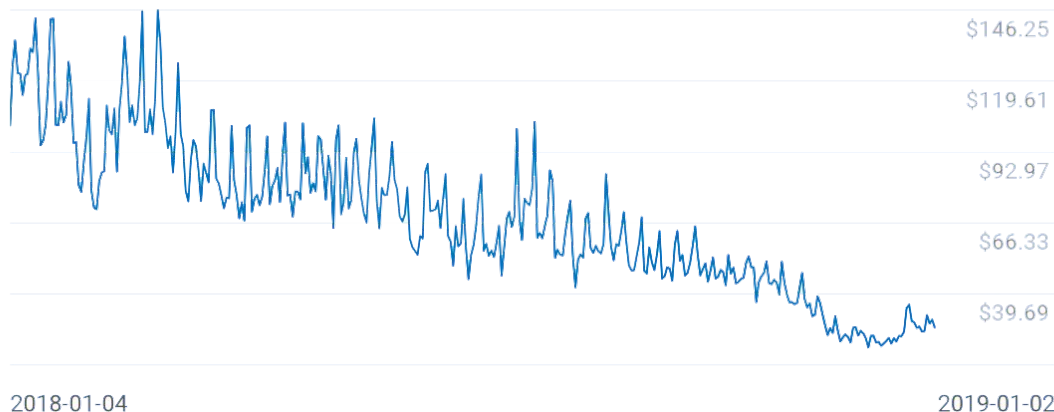
Interoperability

- In Blockchain Ecosystem, Interoperability refers to the ability of various blockchain systems to exchange information and make use of it. In simpler words,writing smart codes in Ethereum and Executing it in Hyperledger Fabric Environment.
- Interoperability becomes extremely useful as it will encourage the scalability speed and extensibility of Blockchain.
- There are three levels of interoperability in Blockchain
  - **Foundational Level**: Allows exchanging of data between systems, without interpreting the data from system.
  - **Structural Level:** Allows exchanging of data between systems, with defined structure or format.
  - **Semantic Level:** Allows data to be exchanged between systems in way that allows the system to interpret the data

Interoperability

- There are several blockchains which focus on interoperability in the blockchain ecosystem like:
  - **Sidechain**: It is a blockchain which allows several blockchain to be attached to the main blockchain, using a two-way peg. This blockchain mechanisms were introduced to allow developers to test their apps in a manageable environment.
  - **Cosmos**: Cosmos is a tendermint team's project that is powered by 'Byzantine Fault Tolerant Tendermint Protocol'. In comos independent blockchain are known as the 'Zones' which are connected to the 'Cosmos Hub'. The consensus algorithms used by Cosmos is Proof-of-Stake
  - **Polkadot**: This project is developed by 'Parity', this is a strong and the same team which is behind the Ethereum Client and is written in Rust programming language. The consensus algorithms are inspired by the Cosmos and HoneybadgerBFT, but soon might shift into a hybrid consensus mechanisms. However the Polkadot Blockchain differs in many ways from cosmos is more promising in governance.

THANK YOU!

Any questions?
You can mail us at
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