NFT (ERC721)

By code eater

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Why NFT ?

What is NFT ?

Working of NFT
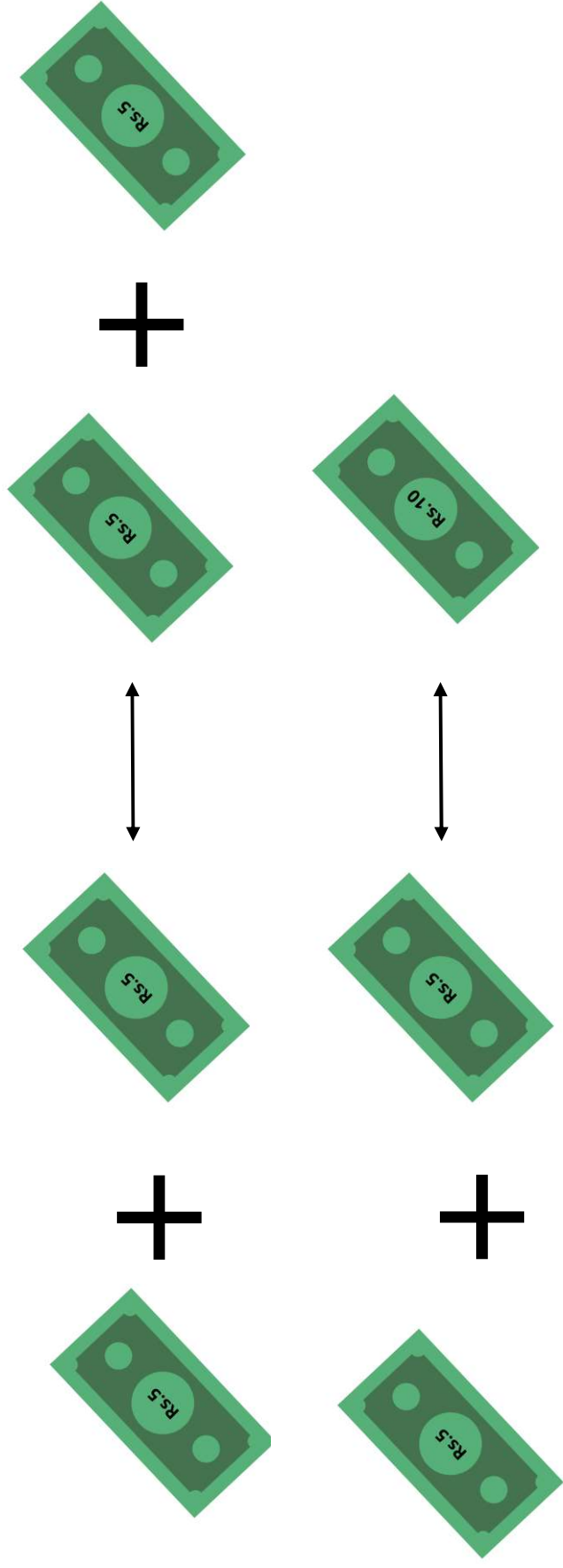
Fungible

- The quality of an asset that can be exchanged with another asse[...] the same type.

Examples of Fungible items

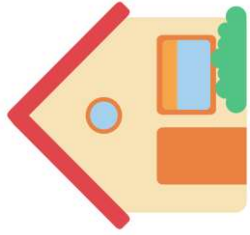# Examples of Fungible items

5 KG → **5 KG**

Examples of fungible assets include **currencies, commodities** and precious stones.

Non-Fungible

- The quality of an asset that are similar but not exchangeable.

Example of Non-Fungible items

Expired

Non-Fungible

Non-fungible assets are unique, requiring much more complex
before a sale and include things like **real estate, art, and sports c**

Fungible and Non-Fungible – Value

Value - The amount that an open market is prepared to pay for somethin

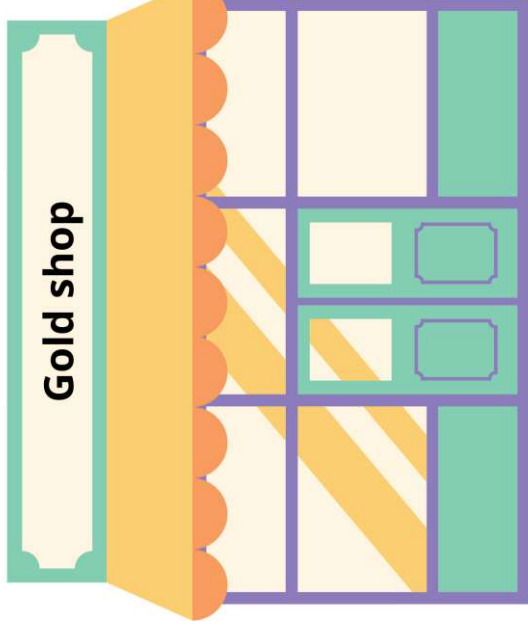The value of things is determined by the following factors -

Feel while purchasing.
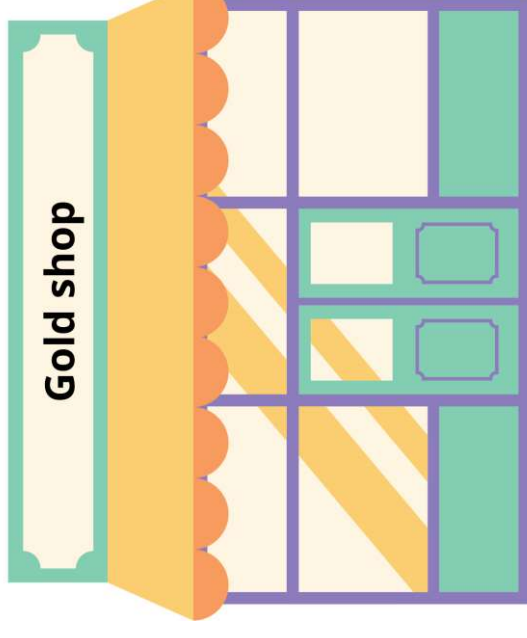
Demand and Supply.

Quality – Good or Bad.

Usefulness

Why NFT is needed ?

Trading of Physical Items

Gold shop

5 KG

RS:10

Trading of Physical Items

Gold shop

RS.10

5 KG
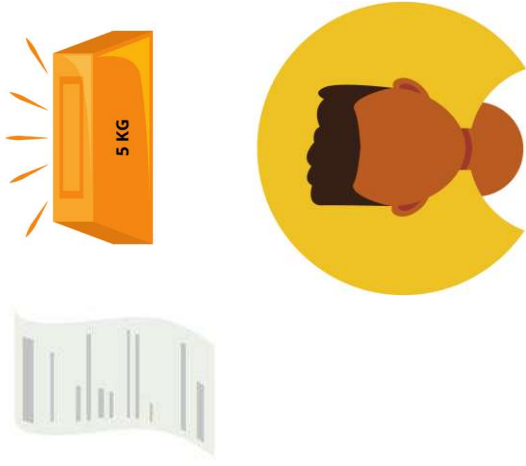
Trading of Physical Items

Advantages of Trading of Physical Items -

Supply and Demand is maintained

Ownership

Trading of digital items

Copy

Trading of digital items

Q1) What is the issue with copying of digital items ?
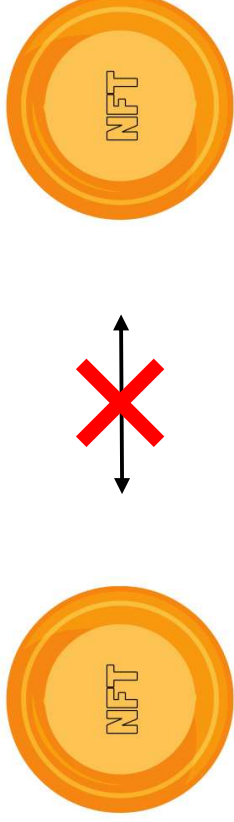
Supply >>>> Demand -> Price Less

Loss of Ownership

What is NFT ?

- In layman terms NFT is a kind of collectible, similar to a pokemon card
  painting.

- The procedure of converting your work in an NFT is called **minting**.

What makes NFT unique ?

- The tech behind NFTs which is parallel to the cryptocurrencies such as E and Bitcoin as it depends on Blockchain.

- Feeling of ownership. Since every transaction is recorded on Blockchain.

- These cannot be segmented into smaller parts.

- Supply is limited.
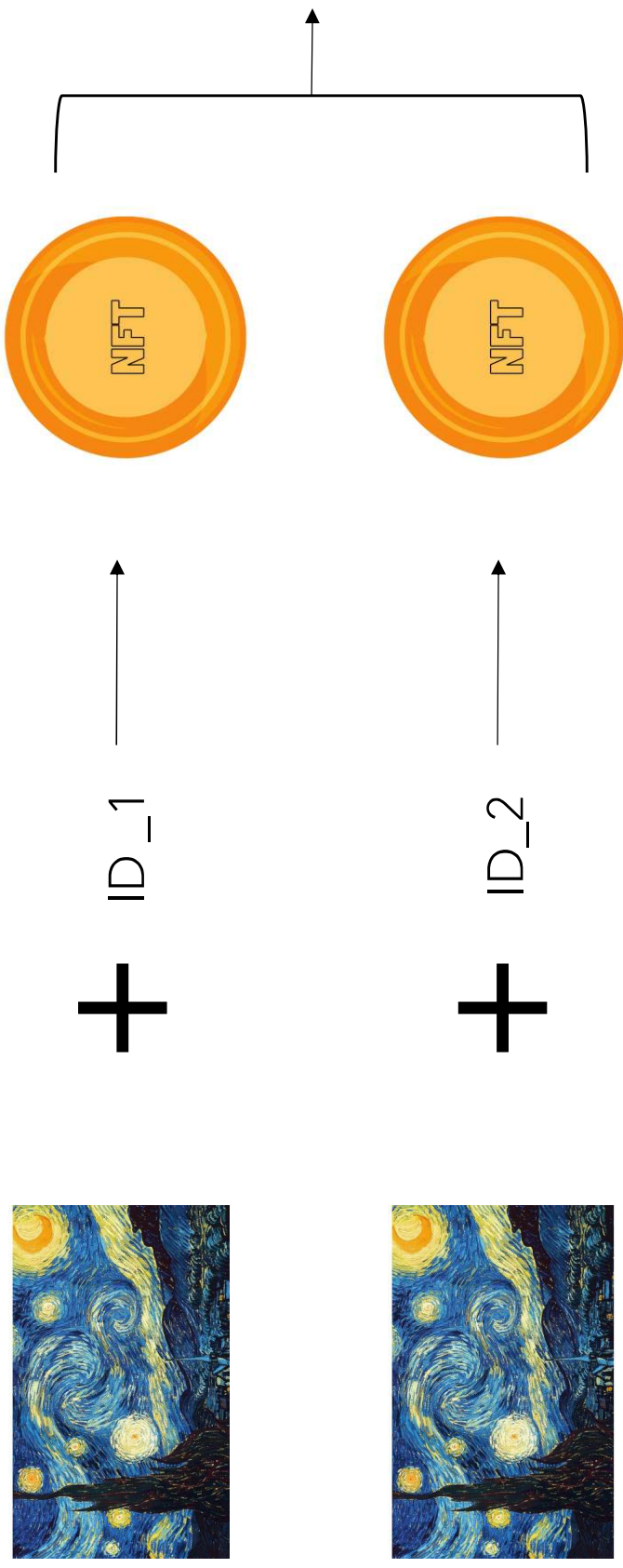
Working of NFT

The image get stored at
IPFS or server

+

ID_1

NFT

Working of NFT

+ ID_1

+ ID_2

NFT

NFT

Most popular NFT

Crypto Kitties - https://www.cryptokitties.co/

CryptoPunks - https://www.larvalabs.com/cryptopunks
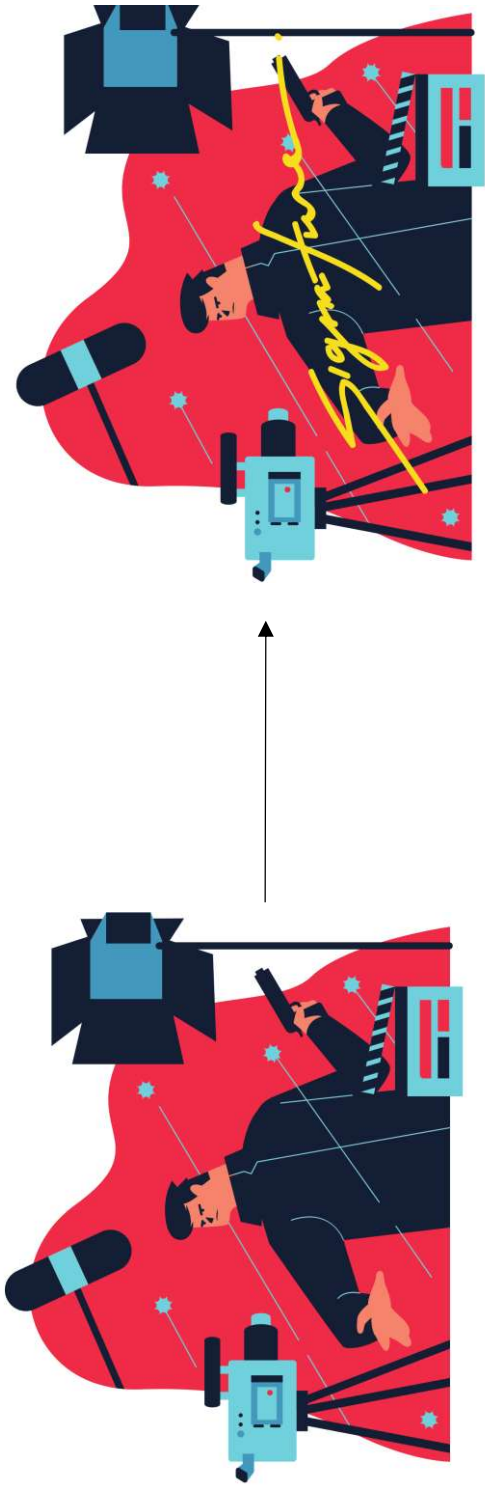
Why NFTs are so popular ?

The component that makes NFT so popular its provide validation of authen

Note - We don't buy because of logical reasons we buy for emotional reasons.

Features of NFT

Indivisible

Indestructible

Verifiable

Non - Interchangeable

NFT ALLOWS

Buying of Digital Items

Selling of Digital Items

Verifying ownership of Digital Items
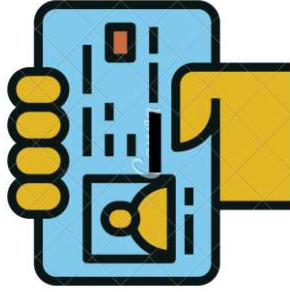
Advantages of NFT

Cannot be robbed.

Verifiable

Ensures copyright

Transferable

Other uses of NFT

NFT can include the following -

Driving License

Certificates
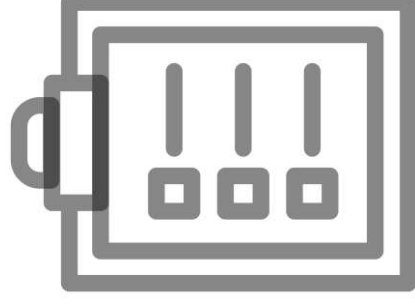
Other documents

Myths related to NFT

Myths

Myths	Reality
With NFTs a buyer gets the ownership of an item.	They might be simply getting a ve... digitally signed by the creator.
NFTs give royalties.	NFTs do not provide you with...
NFT items cannot be copied.	NFT items can be copied...
NFT generates cash flow.	NFT can only be sold...
NFT are liquid.	NFT are not liquid.

Myths related to NFT

Myths

Myths
NFTs are always limited.
NFT can only be minted by us.
NFT guarantees for an item.
NFTs are always decentralized.
NFTs can never be blocked.

Reality

Reality
Anybody can mint any number
Public blockchain split can create of NFT.
Token ID link to image not gua
NFT might not be decentra
NFTs can be blocked

NFT marketplace

- Some of the NFT marketplace are -

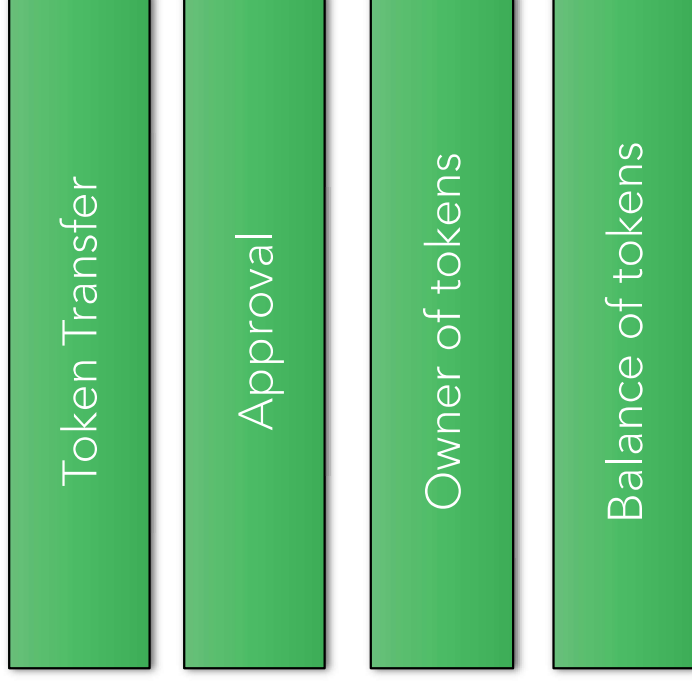| Open sea | Known Origin | The nifty gateway | Super Rare | Atomic Assets |

ERC standards for NFT

ERC 1155

ERC 809

ERC 420

ERC 721

ERC 994

ERC721

- It implemented a standard interface between applications and smart contracts tokens on Ethereum.

- Some important functions of ERC721 -

Token Transfer	Approval	Owner of tokens	Balance of tokens

ERC20 VS ERC721

Property	ERC20	ERC721
Fungibility	Tokens are fungible up to the decimal places defined in the contract.	Tokens are non-fungible. Each represents 1 token, which cann divided.
Ownership	Token ownership is not directly linked to an account, and only the token balances are tracked in the contract.	Each token's ownership is lin individual account addr
Uniqueness	One token is similar in economic value to another token from the same token contract. There is no difference in each token.	Each token is different than e token present in the same contr have different economic v
Example	Because of this divisible and identical property, the ERC20 tokens are mostly used for financial applications.	These are mostly used where v authentication is required. Ex-

OpenZeppelin

- The OpenZeppelin project is built and maintained by a company called **Zeppelin**.

- The project is open source—anyone can use the Solidity contract files tha[t] are released by the project.

- Many of the contract files that are present in the project have been battl[e] tested and are secure enough to be used in your project.

- However, as a developer, you need to keep checking the issues that hav[e] been fixed on the OpenZeppelin GitHub project.

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