1. **Read the white paper which Satoshi Nakamoto published.**
2. A peer – to – peer electronic cash system can enable online payments to be sent from one party to another without going through a middleman.
3. Digital signatures can be used for such a system, but a third party will still be needed to prevent double spending of money.
4. The involvement of a third party increases transaction costs, limits the minimum practical size of transaction.
5. There is also a possibility of fraud in such systems, which means that trust is needed between the parties involved.
6. To establish trust between parties, parties will have to establish their identities using KYC methods and verification.
7. Bitcoin was proposed as a solution to the above mentioned problems.
8. It is an electronic payment system which is based on cryptographic proof instead of trust, and proof of work is used to record a public history of transactions.
9. It becomes computationally impractical for an attacker to modify the ledger if honest nodes control a majority of CPU power in the blockchain network.
10. The members of the network who do the work needed to construct the chain of transactions are rewarded using the native asset of the network – bitcoin.
11. This incentive ensures that the network is always active and properly maintained, and anyone can join the network and get a copy of the ledger.
12. **Read about the International Banking Crisis of 2008.**

* It was a global financial crisis, which was caused by lowering of interest rates and excessive risk taking by banks in the USA.
* It was combined with the bursting of the US housing bubble and caused values of securities tied to US real estate to plummet , damaging financial institutions globally.
* This caused a great global economic recession.