Bitcoin Scripting Assignment Report

CS 216: Introduction to Blockchain - Assignment 3

Team: wasd

Submitted by:

- Rohan Dhiman (230001069)
- Mani Kaustubh Mathur (230001050)
- Siddharth Singh (230002068)

Repo link: https://github.com/rohandhiman5/Wasd-Bitcoin-Scripting-assignment

1. Introduction

This report presents our implementation and analysis of Bitcoin transactions using both Legacy (P2PKH) and SegWit (P2SH-P2WPKH) address formats. We developed Python scripts to interact with bitcoind in regtest mode, create and broadcast transactions, and analyze the resulting scripts.

2. Environment Setup

We configured Bitcoin Core to run in regtest mode with the following settings in bitcoin.conf:

regtest=1 server=1 rpcuser=Wasd rpcpassword=8520 paytxfee=0.0001 fallbackfee=0.0002 mintxfee=0.00001 txconfirmtarget=1

```
GNU nano 6.2
regtest=1
daemon=1
server=1
rpcuser=Wasd
rpcpassword=8520
txindex=1
fallbackfee=0.0002
listen=1
maxconnections=100
[regtest]
rpcport=18443
```

For our implementation, we used Python with the python-bitcoinrpc and simplejson libraries to interact with the Bitcoin daemon.

3. Legacy Address Transactions (P2PKH)

3.1 Workflow

1. **Address Generation**: We generated three legacy addresses (A, B, and C) using the Bitcoin Core wallet.

```
"address_a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
"address_b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
"address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
```

2. **Funding Address A**: We funded address A using the sendtoaddress command.

```
print("Funding Address A")
  txid_funding = rpc.sendtoaddress(address_a, 1.0)
  print(f"Funding transaction ID: {txid_funding}")
```

3. **Transaction from A to B**: We created a raw transaction sending coins from A to B, signed it, and broadcast it to the network.

```
{
    "address_a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
    "address_b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
    "address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
```

```
"tx_a_to_b":
"07b3c2c3e791e11c3faffb0333e207bb016633cf4f727621e56874d1e0f48c9f"
}
```

4. **Transaction from B to C**: We used the UTXO from the previous transaction to create a new transaction from B to C.

```
"address a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
        "address b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
        "address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
        "tx a to b":
'07b3c2c3e791e11c3faffb0333e207bb016633cf4f727621e56874d1e0f48c9f",
        "tx b to c":
bae2c3576128e35c649ba30538b9e24aecf300aad7063a0e230a344fd35ffa23",
        "scriptSig": {
            "asm":
"3044022073fdb36a203bc0eb4ffa8d2545f26cb4aeec78ff31ae92d79a937073793f1bfb02205
d4441054c0f984cf795deac8e9034e68b20cc323cd3332d45f00666811f8315[ALL]
02a6b47f2ea4d66df2b14b9878c53fe58fec9724500f74390ec45b43994c374bfb",
            "hex":
"473044022073fdb36a203bc0eb4ffa8d2545f26cb4aeec78ff31ae92d79a937073793f1bfb022
05d4441054c0f984cf795deac8e9034e68b20cc323cd3332d45f00666811f8315012102a6b47f2
ea4d66df2b14b9878c53fe58fec9724500f74390ec45b43994c374bfb"
        },
        "previousScriptPubKey": {
            "asm": "OP_DUP OP_HASH160 0308be3f7ded2074b14c477fa18ec0ecfe3e3dfc
OP_EQUALVERIFY OP_CHECKSIG",
            "desc": "addr(mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv)#5d7z884z",
            "hex": "76a9140308be3f7ded2074b14c477fa18ec0ecfe3e3dfc88ac",
            "address": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
            "type": "pubkeyhash"
```

3.2 Script Analysis

Transaction from A to B

The locking script (ScriptPubKey) for address B follows the P2PKH format: text

```
OP_DUP OP_HASH160 < PubKeyHash of B > OP_EQUALVERIFY OP_CHECKSIG
```

This script locks the funds such that only the owner of the private key corresponding to address B can spend them.

```
{
          "address_a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
          "address_b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
          "address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
          "tx_a_to_b":
"07b3c2c3e791e11c3faffb0333e207bb016633cf4f727621e56874d1e0f48c9f"
}
```

```
Tohangroban-IdeaPad-Ganting-3-13ACM6:-/Masd-bltcoin-Scripting-assignment$ python legacy_a_to_b.py

Generating blocks to make celms spendable

Generating blocks to make celms spendable

Receiver Address: mcDatASDY/UMARP37UMSENDHIDBQ:

Receiver Address: mcDatASDY/UMARP37UMSENDHIDBQ:
```

Transaction from B to C

The unlocking script (ScriptSig) for spending from address B contains: text

```
<Signature> <Public Key of B>
```

When executed with the locking script, this proves ownership of the private key corresponding to address B.

3.3 Script Validation

The validation process works as follows:

- 1. The unlocking script provides the signature and public key
- 2. The locking script verifies that:
 - The hash of the public key matches the expected hash
 - The signature is valid for the transaction and public key

```
{
    "address_a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
    "address_b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
    "address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
```

```
"tx_a_to_b":
'07b3c2c3e791e11c3faffb0333e207bb016633cf4f727621e56874d1e0f48c9f",
        "tx b to c":
bae2c3576128e35c649ba30538b9e24aecf300aad7063a0e230a344fd35ffa23",
        "scriptSig": {
            "asm":
"3044022073fdb36a203bc0eb4ffa8d2545f26cb4aeec78ff31ae92d79a937073793f1bfb02205
d4441054c0f984cf795deac8e9034e68b20cc323cd3332d45f00666811f8315[ALL]
02a6b47f2ea4d66df2b14b9878c53fe58fec9724500f74390ec45b43994c374bfb",
            "hex":
"473044022073fdb36a203bc0eb4ffa8d2545f26cb4aeec78ff31ae92d79a937073793f1bfb022
05d4441054c0f984cf795deac8e9034e68b20cc323cd3332d45f00666811f8315012102a6b47f2
ea4d66df2b14b9878c53fe58fec9724500f74390ec45b43994c374bfb"
        "previousScriptPubKey": {
            "asm": "OP DUP OP HASH160 0308be3f7ded2074b14c477fa18ec0ecfe3e3dfc
OP EQUALVERIFY OP CHECKSIG",
            "desc": "addr(mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv)#5d7z884z",
            "hex": "76a9140308be3f7ded2074b14c477fa18ec0ecfe3e3dfc88ac",
            "address": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
            "type": "pubkeyhash"
```

Validation

1. Loading the script:

2. Pushing public key and signature:

3. Duplicating the public key:

4. Hashing the public key:

5. Comparing the hash with the stored hashkey:

```
stack

| 76a91407e121d63cd0040ca23a71c52b2c5a2dbfbf136188ac
| 03ff23cb4c21e4f4fadba91021ccb02f69dc234363b7986f929972146613909b1f
| 333034343032323030326663656133363063663061303063656532343539306...

| btcdeb> step
| at end of script
```

4. SegWit Address Transactions (P2SH-P2WPKH)

4.1 Workflow

- 1. **Address Generation**: We generated three P2SH-SegWit addresses (A', B', and C').
- 2. **Funding Address A'**: We funded address A' using the sendtoaddress command.
- 3. **Transaction from A' to B'**: We created a raw transaction sending coins from A' to B', signed it, and broadcast it.
- 4. **Transaction from B' to C'**: We used the UTXO from the previous transaction to create a new transaction from B' to C'.

```
{
          "address_a": "mo3Gb91CZh3MtPGdzJbBw8cFNZW4xN8ihT",
          "address_b": "mfnzo7byi9R76pf4Ct1eUH5cgf9QSA6qnv",
          "address_c": "mgrxiR3r336phqmN2EGuTtMCF25PJsBK4u",
          "tx_a_to_b":
"07b3c2c3e791e11c3faffb0333e207bb016633cf4f727621e56874d1e0f48c9f",
          "tx_b_to_c":
"bae2c3576128e35c649ba30538b9e24aecf300aad7063a0e230a344fd35ffa23"
}
```

4.2 Script Analysis

Transaction from A' to B'

The locking script for a P2SH-P2WPKH address B' has the format:

Where the redeemScript is:

```
0 <PubKeyHash of B'>
 "tx_a_to_b": {
                    "size": 215,
                    "vsize": 134,
                    "weight": 533,
                    "scriptPubKey": "OP_HASH160
4f7e3fbf192f9e4838ceb2232f46d13df9694023 OP_EQUAL"
       "address_a_prime": "2N5YVgeVK8JaxDNeEja4vPMSXDDruPaSbe8",
       "address_b_prime": "2MxN4iffihUoJ8WkqgnDCHpdTu6vrGnzeks",
       "address_c_prime": "2N6RSDWaE9FmzrYAn8rA2mzK4PHuAapS3LD",
       "tx_a_to_b":
"15f00e0da6d82c54054ea3939fce946338d03ac306fe87172271759b00871c30"
                  A...:
on A. to B...
08000001465330f269d479d36036110e008836a38d296ce59dd46e6f9b6797f2ddf8327000000000fdffffff01f0b9f5050000000017a914064e0f33b03bafaef016c3c099a5049dfc0be5ca8700
     ": "e76a50c1c5e3f8daae9a4569c19b81efc8113a3659bd1364e0aae2fd7dbc5be4",
": "e76a50c1c5e3f8daae9a4569c19b81efc8113a3659bd1364e0aae2fd7dbc5be4",
  txld": "d534cdc249d365aa32775626e4e504f0946aea39a9d58dd5eecf51aaa67c874c",
hash": "dec2f9d8431ca1684328ae47916b4c2f910345c464adb6d0907cb49940924b7a",
```

Transaction from B' to C'

For a P2SH-P2WPKH transaction, the unlocking script is:

```
<redeemScript>
```

The witness data (not part of the scriptSig) contains:

```
<Signature> <Public Key of B'>
```

```
"tx_b_to_c": {
                                                                                                       "size": 215,
                                                                                                     "vsize": 134,
                                                                                                      "weight": 533,
                                                                                                       "scriptSig": "0014f004744611840f3536b244c8b29d5e3b0b5852f4"
                                                                    }
                 rohan-IdeaPad-Gamting-3-15kCH6: //Wasd-Bitcoin-Scripting-assignment Q = - o *

rohan-IdeaPad-Gamting-3-15kCH6: //Wasd-Bitcoin-Scripting-assignment S python seguit_b_to_c.py

rediary Address B': ZhspZZANULK5j4FULTEXABQJMKGq1waEjny:

re Address C': ZhtziPAXINVHYRMOQTQ53D7aPAZ49E57CZYA@

us Transacttoin (A' to B'): Sd3xdcc2493d56aa32775626de504f6946aea39a9d58dd5eecf51aaa67c874c

ed UTXO: ('txid': 'd53xdcc2493d56aa32775626de504f6946aea39a9d58dd5eecf51aaa67c874c, 'vout': 0, 'address': 'ZhspZZANULK5j4FULTEXABQJMKGq1waEjny', 'label': '', 'redeemScript': '0014a6b25h775f6373fc7

ra3153375180e502c', 'scriptivbey': '39140e46e7330803bargef1065c30973609ff00e5c387', 'worut': 0ectnal('0.99990000'), 'confirmations': 1, 'spendable': True, 'solvable': True, 'desc': 'sh(wpkh('b594
9'/1'/0'/0/4)2e29003b4s116289725f0eef5e68bc136cf6936f1e2cc4189e5df7b76e87150d))#ppdh37vg', 'parent_descs': ["sh(wpkh(tpub06kzvbkrYhz4Yr53ErcpLX30n9Pqbgcc67kBsLEDNK7p43n3US0LaZPY7trUckZnLSgY7a9wBeR

Hoffills.CSUJM649j3phNyStrLg27000000014c877ca6aa51cfed58dd5a939ea694f004e5e426507732aa65d349c2cd34d500000000000ffffff01e092f5050000000017a9144d3208cfbd67feade5580e41817373c48ef5c58f8700000000

d Raw Transacttoin: d

ray Far transacttoin: d

d Raw Transacttoin: d

ray Far tra
                                   9cd8da3f10eca71931d17829dffc362b3940d1fdf1e649a35962c1b3cd920db0",
9cd8da3f10eca71931d17829dffc362b3940d1fdf1e649a35962c1b3cd920db0",
                       txid": "d534cdc249d365aa32775626e4e504f0946aea39a9d58dd5eecf51aaa67c874c",
vout": 0,
                         nce .
: 0,
kriptPubKey": {
_asm": "OP_HASH160 4d3208cfbd67feade5580e41817373c48ef5c58f OP_EQUAL",
_asm": "OP_HASH160 4d3208cfbd67feade5580e41817373c48ef5c58f OP_EQUAL",
        txid": "e192045a12dcbc39510a44144d9d06d99cc435e99d25dc3636681bbbb93f6c26",
hash": "b8b17746142abb2212009d7fe6c6f52ece644f0fd079a53b720e8fd0533a9a74",
```

4.3 Script Validation

The validation process for P2SH-P2WPKH works as follows:

- 1. The unlocking script provides the redeemScript
- 2. The locking script verifies that the hash of the redeemScript matches the expected hash
- 3. The witness data provides the signature and public key
- 4. The redeemScript is executed with the witness data to verify ownership

```
{
    "address_a_prime": "2N5YVgeVK8JaxDNeEja4vPMSXDDruPaSbe8",
    "address_b_prime": "2MxN4iffihUoJ8WkqgnDCHpdTu6vrGnzeks",
    "address_c_prime": "2N6RSDWaE9FmzrYAn8rA2mzK4PHuAapS3LD",
```

5. Comparison of Legacy and SegWit Transactions

5.1 Transaction Size Comparison

Transaction Type	Size (bytes)	Weight Units	Virtual Bytes
P2PKH (Legacy)	191 + 191	764 + 764	191 + 191
P2SH-P2WPKH	215 + 215	533 + 533	134 + 134

```
"comparison": {
        "size_reduction": "-12.57%",
        "vsize_reduction": "29.84%"
}
```

```
Reyerror: tx_a_to_b
rohan@rohan-IdeaPad-Gaming-3-15ACH6:~/Wasd-Bitcoin-Scripting-assignment$ python comparison.py
debug
=== TRANSACTION SIZE COMPARISON ===
Legacy TX (A to B): 191 bytes, 191 vbytes, 764 weight
legacy TX (B to C): 191 bytes, 191 vbytes, 764 weight
SegWit TX (A' to B'): 215 bytes, 134 vbytes, 533 weight
SegWit TX (B' to C'): 215 bytes, 134 vbytes, 533 weight

=== SIZE DIFFERENCE ===
Legacy total size: 382 bytes, 382 vbytes
SegWit total size: 430 bytes, 268 vbytes
Difference: -48 bytes (-12.57% reduction)
Virtual size difference: 114 vbytes (29.84% reduction)

Comparison results saved to comparison_results.json
```

The size in bytes increased by 12.5% but the vsize reduced by about 30%.

5.2 Script Structure Comparison

P2PKH (Legacy):

- ScriptPubKey: OP_DUP OP_HASH160 < PubKeyHash> OP_EQUALVERIFY OP_CHECKSIG
- ScriptSig: <Signature> <Public Key>

P2SH-P2WPKH (SegWit):

- ScriptPubKey: OP HASH160 < Hash of redeemScript > OP EQUAL
- ScriptSig: <redeemScript>
- Witness: <Signature> <Public Key>

5.3 Benefits of SegWit Transactions

- 1. **Reduced Transaction Size**: By moving signature data to the witness, SegWit transactions are smaller in terms of virtual bytes, resulting in lower fees.
- 2. **Malleability Fix**: SegWit addresses the transaction malleability issue by separating the witness data from the transaction hash calculation.
- 3. **Increased Block Capacity**: SegWit effectively increases the block capacity without changing the block size limit.
- 4. **Script Versioning**: SegWit introduces a version field that allows for future script upgrades.