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**Summary of the problem Bitcoin solves and how blockchain work**

Satoshi Nakamoto's Bitcoin: A Peer-to-Pert Electronic Cash System 2008 shows that Bitcoin is a solution to the problem of digital trust in online transactions. Before, electronic payment depended on the bank as a middle man to verify transactions. This method creates some problems like high cost, possibility of fraud, and limitation in peer-to-peer digital payment. Bitcoin solves this problem by removing the need of having a middle man by enabling direct and safe transfer methods between people.

The most important part of Bitcoin is the blockchain. Blockchain is a decentralized, distributed ledger, like a large book that records all the transactions in a transparent and immutable way. Each transaction is grouped into a block and then cryptographically connects to the last one which forms a chain. Nakamoto's design depends on proof-of-work, a method in which a network of participants (miners) prove transactions by solving complex math puzzles. This help prevents double spending, ensure data is pure, allowing trust and collective verification rather than centralize authorities.

Daniel Drescher Blockchain Basics explain that blockchain is more broadly as general purpose technology. More than the cryptocurrency, blockchain works as a distributed system that can get an agreement without central control, transparency, reliable and resistance to tamper. It shows that this method can create a friendly environment to all participants, so that they can communicate securely even without mutual trust.

Lastly, Weking er al. 2020 shows blockchain impact on business models. By removing middleman, blockchain reduces cost, increases efficiency and creates new forms of important creation. App extend more than just finance to supply chains, healthcare and digital platforms, trust, traceability and decentralization. The authors say blockchain is a foundation technology that can change industry and create organisational patterns.

In conclusion, Bitcoin innovation depends on solving the digital trust problem by using blockchain. It goes more than just a currency but offers a model for a transparent, decentralised system with real impact on business and society.