

Ethereum Smart Contracts

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Chair of Software Engineering for Business Information Systems (sebis) Department of Computer Science School of Computation, Information and Technology (CIT) Technical University of Munich (TUM) wwwmatthes.in.tum.de

Outline



- 1. Solidity Introduction
 - Definition
 - Anatomy of a Smart Contract
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- 3. Cross-contract and Blockchain Interaction
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 - Events

Definition



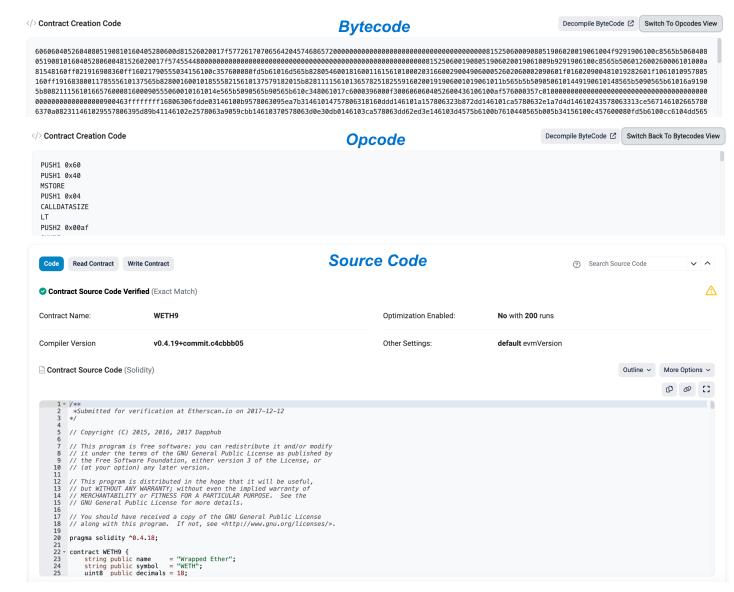


- Solidity is a high-level language to write smart contracts for Ethereum.
- Contracts¹ can be defined as encapsulated units, similar to classes in traditional object-oriented programming languages like Java.
- A contract has its own, persistent state on the blockchain which is defined by state variables in the contract.
- Functions are used to change the state of the contract or to perform other computations.
- Solidity is compiled to bytecode which is persistent and immutable once deployed to the blockchain:
 - → No patch deployment possible
 - → Smart contracts must be perfected before using them in production!

Source Code

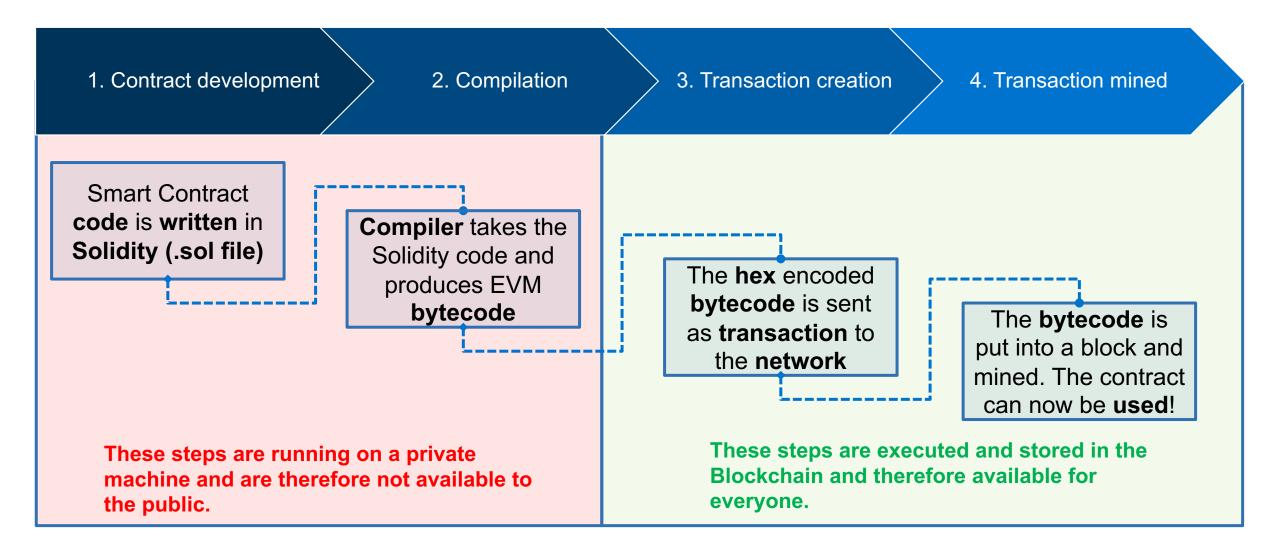


- A smart contract source code is typically not stored on the blockchain, only the bytecode gets stored.
 - Remember that bytecode represents a series of **EVM opcodes** to be executed.
- Without further analysis, the purpose of a smart contract bytecode is unclear.
- Source code can be made publicly available
- Etherscan.io is the most popular Ethereum block explorer, and a service which verifies source codes and the respective bytecodes. T Etherscan



From Solidity Source Code to a Deployed Smart Contract





Anatomy of a Solidity Smart Contract File



File: **BBSE.sol**

```
contract BBSE {
        struct Tutor {
                string firstName;
                string lastName;
        mapping (address => Tutor) tutors;
        address professor;
        modifier onlyProfessor {
                require(msg.sender == professor);
        constructor() public {
                professor = msg.sender;
        function getProfessor() view returns (address) {
                return professor;
        // This function adds a new tutor
        function addTutor(address tutorAddress,
        string firstName, string lastName) onlyProfessor {
                Tutor tutor = tutors[tutorAddress];
                tutor.firstName = firstName;
                tutor.lastName = lastName;
```

State variables

- State variables are permanently stored in the contract's storage.
- Changing the state requires a transaction and therefore costs ether.
- Reading the state of a contract is free and does not require a transaction.

Anatomy of a Solidity Smart Contract File (cont.)



File: BBSE.sol

```
contract BBSE {
        struct Tutor {
                string firstName;
                string lastName;
        mapping (address => Tutor) tutors;
        address professor;
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                tutor.firstName = firstName;
                tutor.lastName = lastName;
```

Function modifiers

- Function modifiers are a convenient way to reuse pieces of code.
- Changes the behavior of a function.
- Can execute code either before and/or after the actual function execution.
- The low dash _ indicates where the actual function code is injected.
- Often used for authentication.

Anatomy of a Solidity Smart Contract File (cont.)



File: BBSE.sol

```
contract BBSE {
        struct Tutor {
                string firstName;
                string lastName;
        mapping (address => Tutor) tutors;
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                professor = msg.sender;
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                return professor;
        // This function adds a new tutor
        function addTutor(address tutorAddress,
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                Tutor tutor = tutors[tutorAddress];
                tutor.firstName = firstName;
                tutor.lastName = lastName;
```

Constructor

- The constructor function is executed once when the contract is created through a transaction.
- The function cannot be called after the creation of the contract.
- Usually used to initialize the state of a contract.
- Execution costs gas, and more complex constructors lead to higher deployment costs.

Anatomy of a Solidity Smart Contract File (cont.)



File: **BBSE.sol**

```
contract BBSE {
        struct Tutor {
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                Tutor tutor = tutors[tutorAddress];
                tutor.firstName = firstName;
                tutor.lastName = lastName;
```

Functions

- Functions are used to change the state of a contract.
- Can also be used to read the state of the contract.
- Consist of a name, a signature, a visibility, a type, a list of modifiers, and a return type.

Formal definition:

```
function (<parameter types>)
{internal|external|public|private}
[pure|constant|view|payable]
[(modifiers)]
[returns (<return types>)]
```

Language Features Overview



Solidity is **inspired by JavaScript** and comes with a very similar syntax. Furthermore, it implements the standard set of features for high-level (object-oriented) programming languages. Compared to the dynamically-typed JavaScript, Solidity uses static types.

Built-in data types

int, uint, bool, address, array, struct, enum, mapping

Built-in first level objects

block, msg, tx

Built-in functions

Error handling: assert(), require(), revert()

Math & Crypto: addmod(), mulmod(), sha3(), keccak256(), sha256(), ripemd160(), ecrecover()

Information: gasleft(), blockhash()
Contract related: selfdestruct()

A set of literals

Solidity comes with some Ethereum specific literals (like eth for units, e.g., int a = 5 eth)

Flow control

if, else, do, while, break, continue, for, return, ? ... : ... (ternary operator)

Function and Variable Visibility



In Solidity, functions can be declared with four different visibility types.

External

External methods can be called by other contracts and via transactions issued by a certain wallet. Methods declared as external are always publicly visible and can't be called directly by the contract itself.

Public

Public can **be called internally** by the contract itself but also **externally** by other contracts and via transactions. **State variables** which are defined as public will, **by default**, **have getter** method created automatically by the compiler.

Internal

Internal methods can only be accessed by the contract itself or by any contract derived from it. They are not callable from other contracts or via transactions.

Private

Private methods can **only** be called **internally** by the contract that owns the method. **Derived contracts cannot access** a private method of their parent contract.

Data Storage in EVM



EVM can store data in three different places; *storage*, *memory*, and the *stack*.

Storage

■ The storage is comparable to a **hard drive**. It keeps data between function
calls and is **persistent** for each smart
contract. This way, every execution on
the contract has access to the data
previously saved in the storage area.

Memory

■ The memory is comparable to a computer's **RAM**. It is a **temporary** storage location for data. Once the execution is complete, the memory is cleaned for the next execution.

Stack

As EVM is a stack machine rather than a register machine, all computations are done on a data region called the stack. It has a maximum of 1024 elements and comprises 256-bit words.

Variables

- i. State variables are saved in storage by default.
- ii. Value-type local variables and function arguments (int, bool, address, ...) are stored in memory.
- iii. Reference-type local variables (array, struct, string, ...) can be stored in memory or storage.
- iv. Reference-type function arguments can be stored in memory or calldata (a read-only data location similar to memory but only available to function arguments).

Note

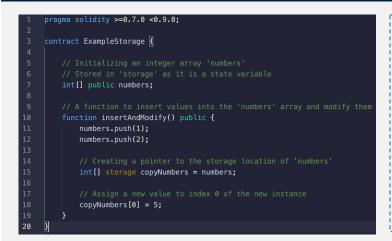
- Reading from the storage is expensive. Initializing and modifying storage is even more expensive. Thus, you should limit the
 data you keep in persistent storage to what the contract requires.
- Compared to the gas consumption of storage, memory has a relatively low consumption. Hence, it is cost-efficient to do
 intermediate calculations in memory and then save the result to storage if necessary.

See Solidity documents for detailed information: https://docs.soliditylang.org/en/develop/introduction-to-smart-contracts.html#storage-memory-and-the-stack

An Example Use of Storage and Memory

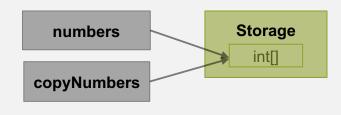


Storage





 copyNumbers is a pointer to the numbers array's storage location (like a shallow copy)



Memory

```
pragma solidity >=0.7.0 <0.9.0;

// Socretic ExampleMemory {

// Initializing an integer array 'numbers'
// Stored in 'storage' as it is a state variable
int[] public numbers;

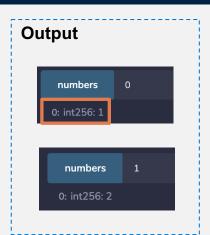
// A function to insert values into the 'numbers' array and modify them
function insertAndModify() public {

numbers.push(1);

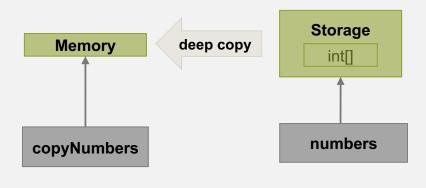
numbers.push(2);

// Creating a local copy of the 'numbers' array
int[] memory copyNumbers = numbers;

// Assign a new value to index 0 of the new instance
copyNumbers[0] = 5;
}
</pre>
```



The keyword memory must be used in order to make sure that copyNumbers only exists locally



Special Function Types



Solidity provides special function type declarations besides the default one.

View function

Functions that are declared as view are read-only, i.e., they don't modify any state variable nor alter the state of the blockchain. However, they can read from the state variables.

```
uint state = 5;
function add(uint a, uint b) public view returns (uint sum) { return a + b + state }
```

Pure function

Pure functions can be seen as a subset of view functions that don't modify the state but also don't read from the state.

```
function add(uint a, uint b) public pure returns (uint sum) { return a +b }
```

Fallback function

A contract can have one unnamed fallback function. The fallback function is called when no other function matches the function call (e.g., when Ether is sent to a contract which doesn't have a receive function). A special feature of this function is that it can't have any parameters and doesn't return anything.

```
function() { /* ... */ }
```

Special Function Types (cont.)



Payable function

By default, it is not possible to send Ether to a function, and the function will revert the transaction. This behaviour is intentional to prevent Ether that is accidentally sent from getting lost. However, sometimes it is necessary to pay a contract, e.g., in the case of an ICO. Therefore, Solidity implements *payable* functions.

Example

function buyInICO() public payable { /* ... */ }

- The keyword payable is also required for declaring constructors and addresses that can receive Ether
 - constructor payable { /* ... */ }, function withdraw (address payable _to) public { /* ... */ }
- While implicit conversions are allowed from address payable to address, a casting function called payable (<address>) must be used for conversions from address to address payable.

```
address public customer;

function transfer (uint amount) public {
    payable(customer). transfer(amount);
}
```

Function Modifiers



Sometimes it is required to **check** whether a **specific condition** is true or false **before executing** a function. For instance, an authentication mechanism prior to the function call. However, writing code multiple times makes it harder to maintain and prone to security vulnerabilities. As a solution, Solidity offers the concept of **modifiers**, a **reusable piece of code**.

Modifiers are **defined** with the **keyword** modifier:

```
contract owned {
  address public owner;

constructor() public {
   owner = msg.sender;
}

modifier onlyOwner {
  require(msg.sender == owner);
  _;
}

function kill() public onlyOwner {
  selfdestruct(owner);
}
```

Example of Function Modifiers



Internally, the actual function body is injected where _ is placed in the modifier.

The code snippets below are equal.

```
contract owned {
  address public owner;

constructor() public {
  owner = msg.sender;
}

modifier onlyOwner {
  require(msg.sender == owner);
  __; / Injection here
}

function kill() public onlyOwner {
  selfdestruct(owner);
}
```

```
contract owned {
  address public owner;

constructor() public {
  owner = msg.sender;
}

function kill() public {
  require(msg.sender == owner);
  selfdestruct(owner);
}
```

Chaining of Function Modifiers



It is **possible** to **apply multiple modifiers to a function**. The modifiers will be resolved sequentially, starting from left to right. In the example below, a user can only call the kill function if he/she is the owner of the contract and has an account balance greater than 1337 ETH.

```
contract owned {
  address public owner;
  constructor() public {
    owner = msg.sender;
  modifier onlyOwner {
    require(msg.sender == owner);
    ; // Actual function code is injected here
  modifier isRich {
    require(msg.sender.balance > 1337 ether);
    ; // Actual function code is injected here
  function kill() public onlyOwner isRich {
    selfdestruct(owner);
```

Function Overloading



Solidity allows to overload functions, i.e., to define the same function twice with different signatures. This can be helpful if a function needs to be adapted to certain situations.

Example

```
function sendEther(uint amount) {
  require(this.balance >= amount);
  payable(msg.sender).transfer(amount);
}

function sendEther(uint amount, address payable to) {
  require(this.balance >= amount);
  to.transfer(amount);
}
```

If sendEther() is called without the address argument, the Ether will be sent to the caller. Otherwise, it will be sent to the address passed as a parameter to the function.

Named Function Calls



Solidity supports the concept of named calls. The named calls principle allows passing function parameters explicitly via a dictionary. By default, function parameters are passed by their defined signature order.

Example 1, without a named call:

```
function myAddFunction(uint a, uint b) returns (uint result) {
 return a+b;
function fourPlusTwo() returns (uint result) {
 return myAddFunction(4, 2);
```

The order of the parameters is defined by the function's signature.

Example 2, using a named call:

```
function myAddFunction(uint a, uint b) returns (uint result) {
 return a+b:
function fourPlusTwo() returns (uint result) {
 return myAddFunction({b: 2, a:4});
```

The function fourPlusTwo passes a dictionary with keys that match the signature of myAddFunction. The order within the dictionary does not matter.

Inheritance



Solidity supports the inheritance of contracts. Technically, the solidity compiler copies the code from the parent contract to the subcontract and creates a single piece of bytecode which is deployed on the blockchain.

Solidity also **supports multiple inheritances** for a contract. In this case, the compiler just copies all parent contracts together and creates a single contract that is compiled to bytecode and deployed to the blockchain. Once a contract is deployed, it is not possible to detect from the bytecode whether a contract made use of inheritance or not.

If a parent contract contains a function that is also present in the subcontract, then the functions are overloaded. In case both functions have the same signature, the subcontract function will override the parent's function. However, the parent function can still be explicitly accessed using the super keyword.

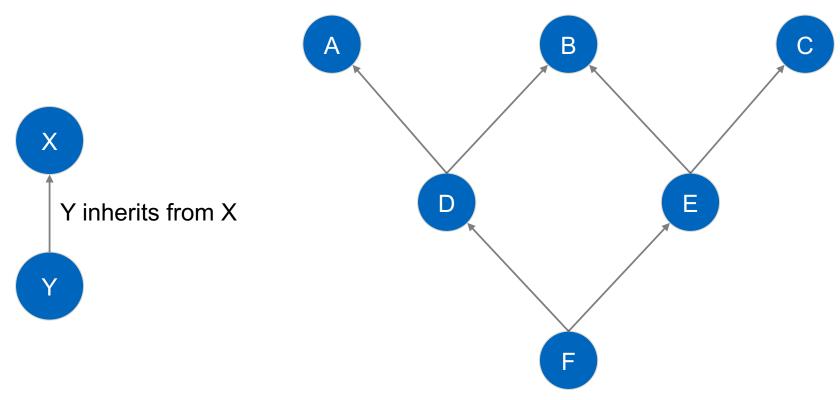
Use Cases: SafeMath, Authentication

Multiple Inheritance



Solidity uses, similar to Python, the **C3 superclass linearization** algorithm to define the order of the inherited functions. There is no implicit order for parent classes, the order is defined by the developer.

Assume the following inheritance graph



Multiple Inheritance (cont.)



In Solidity, contracts can inherit from other contracts by using the keyword is.

Example

```
contract A {}
contract B {}
contract C {}
contract D is A, B {}
contract E is B, C {}
contract F is D, E {}
```

The function resolution order (FRO) of the example above would be:

The keyword super always references the next contract in the FRO. If super would be called in F, it would reference to D and super in D would reference to E and so on.

Example of Inheritance



```
contract A {
function getNumber() returns (uint a) {
 return 1337;
contract B is A {
function getNumber() returns (uint a) {
  return super.getNumber() + 1;
contract C is A {
function getNumber() returns (uint a) {
  return super.getNumber() + 2;
contract Final is C, B {
function getNumber() returns (uint a) {
  return super.getNumber();
```

What would happen if Final.getNumber() is called?

The function resolution order is:

```
Final, C, B, A
```

- In Final super will be resolved to C
- In C super will point to B !!!!
- In B super will point to A
- The final result is 1337 + 1 + 2 = 1340

Abstract Contracts



Solidity supports abstract contracts. A contract is **implicitly** declared as **abstract** if **one or more functions** are abstract. A function is considered abstract when it **does not have a body**.

Example

```
contract CarInsurance {
  function payMonthlyFee() returns (boolean result);
}
```

Abstract contracts cannot be compiled to bytecode. A **contract that inherits** from an abstract contract **must implement and override all methods** from the base contract to be compliable.

Abstract contracts offer a way to decouple the definition of a contract from its actual implementation. This provides better extensibility and maintainability, in particular for larger contracts.

Interfaces



Solidity supports the definition of **interfaces** for contracts. An interface is similar to an abstract contract but it is more restrictive. It is **not allowed** to define a **constructor**, **variables**, **structs**, **and enums** in an interface. Furthermore, interfaces **cannot inherit from a contract** or **implement another interface**.

Example

```
interface CarInsurance {
  function payMonthlyFee() returns (boolean result);
}
```

A contract can implement multiple interfaces at once.

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Problem Assessment

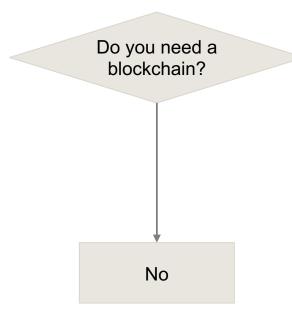


The hype of blockchain has led to a large number of software applications using blockchain technology. Often used by startups or driven by innovation departments in enterprises.

However, the real-world adoption of contracts still is negligible. Currently, the largest dApp¹ using an Ethereum smart contract has less than ~11000 transactions per day (https://dappradar.com/rankings/protocol/ethereum).

Finding a use case

- Understand the problem domain and the blockchain technology well
 - Blockchain might be a potential solution if:
 - Multiple parties are involved and
 - The parties do not trust each other or have different interests and
 - Shared write access is required and
 - All writes to the database need to be (publicly) verifiable
- Evaluate alternative solutions.



(Joke) Model by Dave Birch (https://twitter.com/dgwbirch?lang=de)

Model the Business Process



As in traditional software engineering, the first step for creating an application is to model the business process.

Identification

- Identify the involved parties, systems, and their relationship.
- Identify the necessary interactions between the parties and systems.
- Identify the information that is exchanged between the parties and systems.
- Identify the system boundaries.
- Diagrams can help to get the big picture.

Modelling

- Derive concrete models from the identified parties and systems.
- Define concrete messages that are exchanged between the systems and parties.
- Define a concrete data model used by the system.
- Derive concrete interfaces for interaction with the systems and parties.
- The overall architecture is usually modeled at a high abstraction level using architecture diagrams.
- The concrete software is modeled at a lower abstraction level using class diagrams.

Fictional Example



Blood Donation

The DRK ("Deutsches Rotes Kreuz") wants to digitize the blood donation process and make it more transparent. Therefore, it analyzes different technological solutions. As a first step, the DRK wants to track the supply chain from the blood extraction to the transfusion. The overall process is listed below.

Current simplified process:

- Person goes to the DRK and donates blood
- Blood is analyzed in laboratory and labeled
- Blood product is sent to hospital
- Hospital checks if a patients blood is compatible with the product
- Blood is transfused

Involved Parties:

- DRK Extracts the blood from the donor
- Laboratory Analyzes the blood and creates blood products
- Donor Donates his/her blood
- Hospital Transfuses the blood
- Patient Receives the blood transfusion

Involved Systems:

- Laboratory management system (LMS) in the laboratory that analyzes the blood.
- The hospital information system (HIS) used in the hospital to manage patients and processes.

Interactions:

- DRK extracts blood from Donor
- DRK sends blood to laboratory
- Laboratory analyzes blood
- Hospital sends request to laboratory
- Laboratory sends blood to hospital
- Hospital transfuses blood to patient



Blood Donation

Assessing blockchain and contracts as potential solution architecture.

Multiple parties are involved ✓

At least four parties are involved

The parties do not trust each other or have different interests –

Questionable, some patients might not trust the DRK and therefore do not donate.

Shared write access is required ✓

- DRK needs to read and write
- The laboratory needs to read and write
- The hospital needs to read and write

All writes to the database need to be publicly verifiable ✓

- The donor needs to be able to track what happened with his/her donation.
- In case of an accident, the blockchain could help to identify the root cause and the responsible party.



Blood Donation Entities

In the Ethereum ecosystem two kinds of entities exist, externally owned accounts (EOAs) and contracts. Transactions are always issued by EOAs and usually controlled by an individual or a party. If an entity needs to be interactive and provide some on-chain functionality it is a candidate for a contract.

EOAs

Donor – Person who donates blood identified by their unique wallet address

DRK – Institution that runs blood donation events

Laboratory – Laboratory that takes the blood donation and creates blood products out of it

Hospital – The institution that transfuses the blood of the donor to a patient

Patient – The patient who gets a blood transfusion

Contracts

Blood Donation – Contract owned by the DRK, it tracks the time and date of the donation. Additionally, it records whenever the donation is passed to another party, e.g., from the DRK to the laboratory.



Blood Donation Transactions

In the Ethereum ecosystem transactions and messages are the only way for entities to interact.

Interactions

DRK → CONTRACT_CREATION:

Creates a blood donation (BD) and deploys it on the blockchain. The address of the donor is passed via constructor and unchangeable.

DRK → BD.sendToLaboratory(address laboratory):

The DRK issues a transaction to the BD when the blood donation is sent to the laboratory. The state variable for the laboratory is set.

Laboratory → BD.sendToHospital(address hospital):

The Laboratory issues a transaction to the BD when the blood donation is sent to the hospital. The state variable for the hospital is set. Only the hospital can do the transfusion.

Hospital \rightarrow BD.transfuse(address patient):

The hospital issues a transaction to the BD when the blood is transfused to a patient. A transfusion can only happen once.



Blood Donation EOAs

DRK: 0x91A0639dDe409c126f058e33D743b1253738C8b9

PK: 0x3aae751e36ddffd4f7d5ff4bee409583a54df823111a30f780c18cd73ebb02f8

Laboratory: 0x3aDDBa6E0C56EE1357Bb9796b20480880cA37E81

PK: 0xdbe7d4d5460f6a6e086579a0acf071b652b6ed5ae0374d704a949cbb0b740a65

Hospital: 0x582FFFacdBFDaF1936672886035ea561FF669a44

PK: 0x8ae80121c7bc29a51eb4401754928051063a8dace9d35496dd26d0c4a1a0640c

Patient: 0x0780aFf9177d78E86Fc03158D504652f88c4D1bc

PK: 0x0a18f4e53a62e97b613ed94d0f411de327e0d1a0d5533c685042cae420aacbfb

Donor: 0x39bc67dBb1f5203AF048699233b29Dec903389A4

PK: 0x5aed62bff0a98533345482fb91ac80388869e6bdd5ad53c19b54a37468a5cb2d



Blood Donation Contract

```
// File: BloodDonation.sol
pragma solidity >= 0.4.22 < 0.6.0;
contract BloodDonation {
 address donor;
 address drk;
 address laboratory;
 address hospital;
 address patient;
 bool isTransfused = false;
 modifier onlyDRK() {
     require(msg.sender == drk); ;
 modifier onlyLaboratory() {
      require(msg.sender == laboratory);_;
 modifier canTransfuse() {
      require(!isTransfused);
      require(msg.sender = hospital);
// ends here ...
```

```
// ... continues here
 constructor(address _donor) public {
     drk = msg.sender;
     donor = _donor;
 function sendToLaboratory(address laboratory) onlyDRK {
     laboratory = laboratory;
 function sendToHospital(address hospital) onlyLaboratory {
     hospital = hospital;
 function transfuse(address patient) canTransfuse {
     patient = patient;
     isTransfused = true;
```

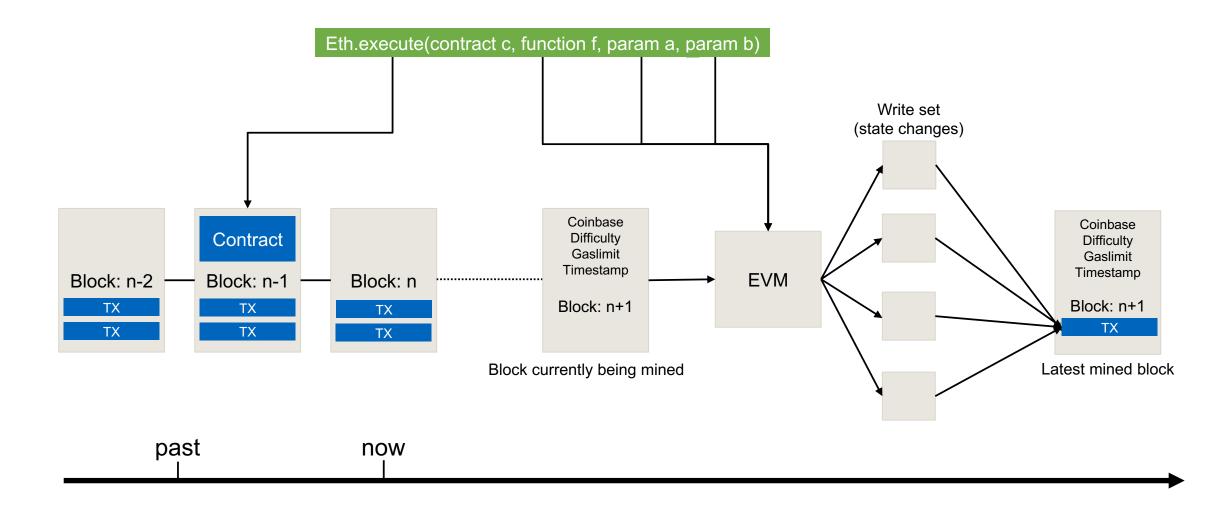
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Overview of EVM Contract Function Execution





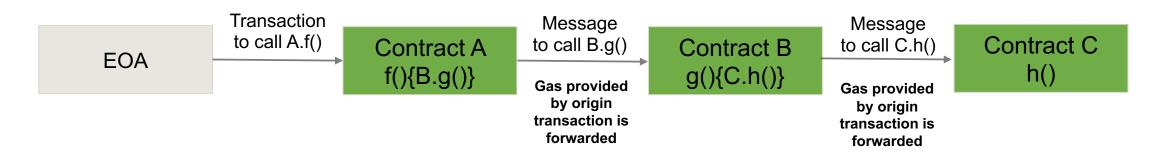
Transactions and Messages



The origin of each contract function call is always a transaction by an externally owned account (EOA).

In more complex systems, multiple contracts communicate with each other. For example, when a contract uses an oracle contract to get information from the outside world. In such cases, the issuer of the function call must provide enough gas so that also the oracle request can be fulfilled.

Whenever a contract issues a message to another contract, the gas from the origin transaction is just forwarded. However, sometimes this is not intended, e.g., when only Ether should be transferred. Therefore, the Solidity address class implements functions specifically for that use case.



Address Class



Some contracts may require information about a specific account, e.g., the current account balance. Solidity implements a special type for accounts called address. Any Ethereum account, i.e., externally owned or contract, can be represented as an address object.

An address can be directly defined via a valid 20 byte hex code representation.

address a = 0xd5e7726990fD197005Aae8b3f973e7f2A65b4c18

An address that can receive Ether must either be defined as address payable or it should be cast with payable (<address>) function while sending Ether to it.

Furthermore, any contract object can be explicitly cast to an address.

```
contract A {
  function f() {}
}
contract B {
  function g() {
     A a = new A();
     address contract_a = address(a);
     address self = address(this);
  }
}
```

Working with Addresses



It is also possible to down-cast an address to a contract:

```
A = A(0xd5e7726990fD197005Aae8b3f973e7f2A65b4c18)
```

This only works if the contract identified by the address is an instance of A.

```
contract A {
  function f() {}
contract B {
     function g() {
       A a = new A();
       address contract a = address(a);
       address self = address(this);
          // B b = B(self) would work
          // B b = B(contract a) would fail
```

Address Class



<address>.balance

The balance of the address in Wei returned as a 256-bit unsigned integer

Wei is the smallest unit of currency in Ethereum

1 Ether = 10⁹ Gwei = 10¹⁸ Wei

<address>.transfer(uint256 value)

Transfers the amount passed as *value* in Wei to the *<address>*. The function throws on failure. Forwards only 2300 gas to *<address>*. Must keep in mind that the called smart contract can quickly run out of gas and make the transfer impossible.

<address>.send(uint256 value)

Same as <address>.transfer(uint256 value) but returns false on failure.

<address>.call(...)

A Low-level function that can be used to invoke functions but also to send Ether. The function returns false on failure and, by default, forwards all gas to <address>. The called contract can execute complex operations that can spend all of the forwarded gas, causing more cost to the caller. If there is no receive function defined in the called contract (i.e., if the fallback gets triggered upon Ether received), then, only 2300 gas is forwarded.

<address>.delegatecall(...)

Systems Engineering". Lecture Slides. TU Munich.

A low-level function that can be used to call a function at <address> in the context/state of the current contract (i.e., caller contract delegates the use of its storage to the receiving contract). The function returns false on failure. Caller contract needs to trust the receiving contract¹.

Re-entrancy Attack



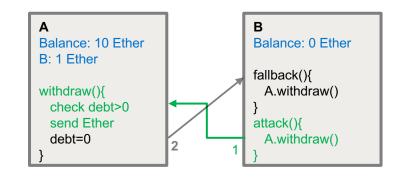
What is a re-entrancy attack?

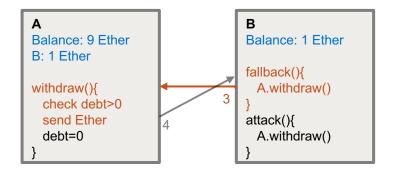
- The re-entrancy attack is one of the most damaging attacks to a Solidity smart contract. When a function makes an external call to another untrusted contract, it becomes vulnerable to a re-entrancy attack.
- The untrusted contract can place recursive calls back to the original function in order to drain all the funds in the calling contract.
- This would work if the original function updates the balance of the receiving contract after transferring the coins.

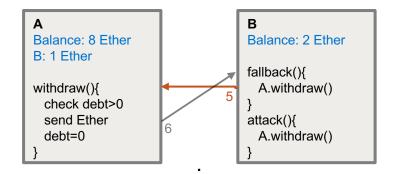
An Example Re-entrancy Attack Scenario



- A is a contract where you can deposit and withdraw ETH. It keeps a record of how much it owes to other contracts. In our case, A owes 1 Ether to contract B.
- Contract B has two functions: fallback() and attack(). Both functions call withdraw() on A.
- 1. First, B executes attack(), which calls withdraw() on A.
- 2. A checks that debt to B is greater than 0 and sends 1 Ether to B (Contract B has 1 Ether, A has 9 Ether left).
- 3. Receiving Ether triggers *fallback()* on B, which immediately calls *withdraw()* again.
- 4. withdraw() checks debt to B and it is still 1 as the debt variable was not updated in step 2 before sending ETH. Thus, A sends another Ether to B.
- 5. Now, A has 8 Ether and B has 2 Ether, while the debt to contract B in A is still 1 Ether. B calls *withdraw()* again.
- 6. withdraw() checks the debt to B, and since it is still 1, A sends another Ether to B.
- 7. This process between withdraw() and fallback() continues since the debt reset line in withdraw() cannot be reached. As long as this is the case and the transaction does not run out of gas, B can keep on withdrawing from A.







Prevention Measures Against the Re-entrancy Attack



How to prevent a re-entrancy attack?

 Ensure all state changes happen before calling external contracts (update balances or code internally before calling external code)

Use function modifiers that prevent re-entrancy

```
pragma solidity ^0.8.10;

contract ReEntrancyGuard {
   bool internal locked;

modifier noReentrant() {
   require(!locked, "No re-entrancy");
   locked = true;
   _;
   locked = false;
}
```

Message Object



Some contracts may require information about the caller of a function, e.g., for authentication purposes. Solidity provides the global msg object that contains information about the caller.

The object refers to the last account that was responsible for invoking the function. This can either be a contract or an externally owned account.

msg.sender

The account address of the function's caller, has type address (Needs to be cast to address payable when calling transfer, send, or call).

msg.data

The complete payload of the message/transaction

msg.sig

The function's hash signature so that the EVM knows which function is called

msg.value

The amount of Wei that is sent with the message

Message Object (cont.)



Since the message object always refers to the last sender, it requires some special attention when used in combination with this in a contract.

Block Object



Some contracts may require information about the latest proposed block, e.g., when a specific function should be time locked. Solidity provides a global variable called block to access the most recent block of the blockchain.

block.coinbase

The account address of the current block's proposer

block.difficulty

The current mining difficulty as an unsigned integer (returns 0 after the Merge)

block.gaslimit

The current block's GASLIMIT

block.timestamp

The UNIX timestamp of the block (in theory, can by manipulated by the block proposer)

Transaction Object



The global tx is similar to the msg object and provides information about the transaction that triggered the function call.

The main difference is that tx always refers to a transaction, i.e., its source is always an externally owned account.

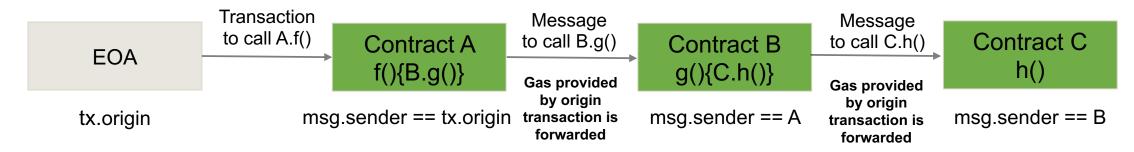
tx.origin

The issuer of the transaction. This is always an externally owned account.

DO NOT USE FOR AUTHENTICATION!

tx.gasprice

Information about the gas price that was used by the issuer of the transaction.



Transaction Calldata

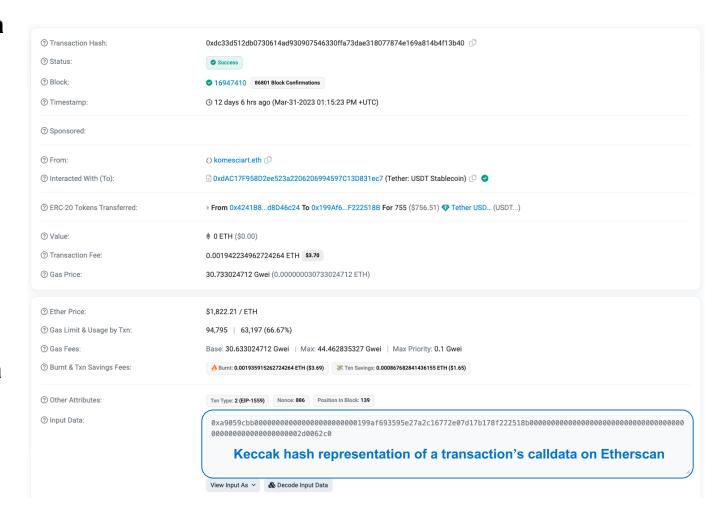


An Ethereum transaction objects include a **data** field to place any extra information (represented in Keccak hash) required by the transaction.

This data field can:

- contain a smart contract's bytecode when the contract is initially deployed, or
- contain a function signature with any arguments passed in when a contract is called, or
- be empty, indicating that the transaction is a simple Ether transfer between two accounts.

Often, the transaction data is referred to as *calldata*¹ since it includes information about a call to a function on a smart contract.



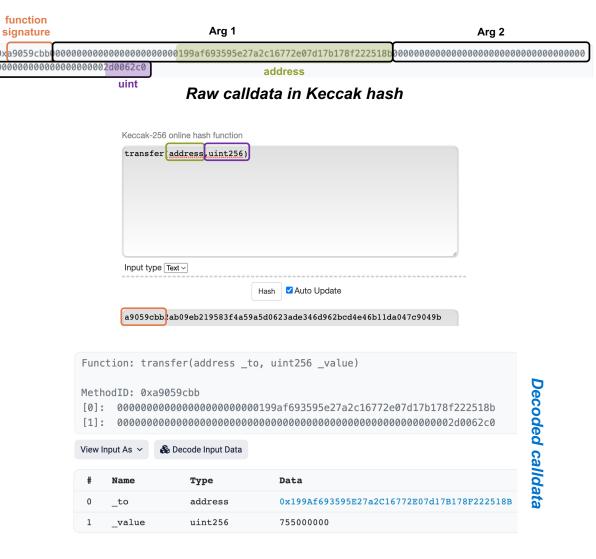
¹ Remember that calldata is also the name of the read-only data location where a function's arguments can be stored in. Inspect this transaction on Etherscan: https://etherscan.io/tx/0xdc33d512db0730614ad930907546330ffa73dae318077874e169a814b4f13b40

Decoding the Calldata



By looking at the raw transaction calldata, it is **challenging to understand** which function is called and what are the input arguments. However, the calldata can be **decoded**.

- 1. The first 8 hex chars. (4 bytes) represent the **function signature**.
 - If we have the source code (or ABI¹) of the contract which is interacted with, we can figure out the specific function called using a Keccak hash tool.
- 2. The remainder of the calldata encode the input arguments, each represented in 64 hex chars.
 - The first argument is an address, which is, by default, 40 hex chars. long. (the first 24 zeros are just padding)
 - ii. The **second argument** is a 256-bit (64 hex chars.) long **unsigned integer**. After removing the padding (56 zeros), we can find the input (2d0062c0) and convert it to a decimal number to get the original value.



¹ ABI stands for "Application Binary Interface" and defines the variables and the methods that a contract offers. Keccak Hash Tool: https://emn178.github.io/online-tools/keccak 256.html

Events



When a contract wants to communicate with external applications like decentralized applications (dApps), it emits **events**. Events are **dispatched signals** that are fired by contracts. Developer of the contract decides when to send these signals.

- dApps or any program using an Ethereum API can listen to events emitted by contracts.
- Useful for data analysis

Use Cases

- Provide data from a smart contract to a user interface
- Trigger an oracle update¹
- Cheap data storage (logging)

```
contract Counter {
    //declare event and what it contains, the old value and the new value.
    event ValueChanged(uint oldValue, uint256 newValue);

    // Private variable of type unsigned int to keep the number of counts
    uint256 private count = 0;

    // Function that increments our counter
    function increment() public {
        count += 1;

        //When count variable is incremented, emit the event.
        emit ValueChanged(count - 1, count);
    }

    // Getter to get the count value
    function getCount() public view returns (uint256) {
        return count;
    }
}
```

An event signaling a change in the counter value.

¹ We will cover the concept of oracles in the lecture "Ethereum Design Patterns".

Transfer Event



One of the most commonly used events on the Ethereum blockchain is the *Transfer* event which gets emitted when transferring tokens:

```
event Transfer(address indexed from, address indexed to, uint256 value);
```

- The transfer event logs who made the transfer (**from**), who it was transferred to (**to**), and how many tokens were sent (value).
- An event attribute can be declared as indexed so that the event history can be efficiently filtered for events with an exact match on this attribute.
 - E.g., find all *Transfer* events where the sender of the tokens is "0xa0b52ef1..."

