**CBBF.43q**

Number: CBBF Passing Score: 800 Time Limit: 120 min

# CBBF



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# Certified Blockchain Business Foundations

**Exam A**

Transparency allows .

1. a trustless system where users can be certain of a result
2. easy iteration through the Blockchain
3. Records on the Blockchain to never be changed
4. users on the Blockchain to change data on the Blockchain

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://lisk.io/academy/blockchain-basics/benefits-of-blockchain/why-is-blockchain-trustless

# QUESTION 2

Blockchain is always a better alternative to a standard database.



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1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.coindesk.com/information/what-is-the-difference-blockchain-and-database](http://www.coindesk.com/information/what-is-the-difference-blockchain-and-database)

How does a private Blockchain differ from a public one? Select all that apply.

1. A private Blockchain does not use proof of work consensus
2. A private Blockchain is more efficient and has faster transaction times
3. A private Blockchain is not distributed
4. A private Blockchain often requires the identity of users to be known

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://medium.com/coinmonks/public-vs-private-blockchain-in-a-nutshell-c9fe284fa39f

# QUESTION 4

A distributed network is always decentralized.

1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://stackoverflow.com/questions/49195562/difference-between-a-distributed-and-a-decentralized-network

# QUESTION 5

Blockchains work best when they are .

1. combined with other technologies
2. used for financial applications
3. used alone
4. used as an alternative to a database

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 6**

What is a hash function?

1. A one-way function that converts input to a unique string output
2. A function that stores data behind a key
3. A two-way function used for condensing information
4. The block-ID of the block
5. All the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 7**

How is Blockchain benefiting voting?

1. By revealing the identity of each voter and who or what they voted for
2. By controlling who gets to vote
3. By only allowing a certain number of votes per person
4. By allowing voters to trust their vote has been counted

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 8**

Which of the following statements sums up the Proof of Work consensus process?

1. Miners complete to find a nonce results in a hash that starts with a predetermined number of leading zeros.
2. Miners put up a stake. A miner is then selected based on stake value to add a new block to the chain. If a miner adds an invalid block to the chain, that miner loses their stake.
3. All nodes agree on the data of the transaction.
4. Miners send assets to an inactive address. This process selects the next owner of a block.

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.nichanank.com/blog/2018/5/23/consensus-algorithms-pow](http://www.nichanank.com/blog/2018/5/23/consensus-algorithms-pow)

# QUESTION 9

The Ethereum Blockchain provides a/an virtual machine.

1. Windows compatible
2. energy efficient
3. Linux compatible
4. turing-complete

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.mycryptopedia.com/ethereum-virtual-machine-explained/](http://www.mycryptopedia.com/ethereum-virtual-machine-explained/)

# QUESTION 10

Which Blockchain protocol uses Proof of Work Consensus? Select all that apply

1. Hyperledger
2. Corda
3. Bitcoin
4. Ethereum
5. All of the above

# HiddenCD Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 11**

One of the big issues that new financial transaction Blockchain solutions face is .

1. increasing the number of transactions per second (TPS)
2. the inability to find use cases
3. solving user identity
4. getting banks to cooperate

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.cnbc.com/2018/10/01/five-crucial-challenges-for-blockchain-to-overcome-deloitte.html](http://www.cnbc.com/2018/10/01/five-crucial-challenges-for-blockchain-to-overcome-deloitte.html)

# QUESTION 12

Once a record is stored on the Blockchain .

1. the record is moved to a secure server
2. the record is stored on a central node
3. it can be changed by an authorized person
4. the record is permanent

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference can be changed by an authorized person

# QUESTION 13

An asset is defined as .

1. all records on a database
2. any data on the ledger
3. anything of value requiring accountability of ownership
4. any record on a private network

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 14**

One solution to increasing Blockchain Transactions Per Second (TPS) is .

1. adding more network nodes
2. off-chain transactions
3. using faster microprocessors
4. fewer regulations

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 15**

Blockchain applications can provide \_ .



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1. the elimination of intermediaries
2. building more trust between trusted parties
3. collaboration between trusted parties
4. better cooperation between banks

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 16**

A Blockchain does NOT provide which attribute?

1. Security through distribution
2. Anonymity through cryptography
3. Fault Tolerance through distribution
4. Immutability through hashing

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 17**

How does the Bitcoin provide anonymity?

1. Through Merkle trees
2. Through public/private key cryptography
3. Through consensus algorithms such as Proof of Work
4. By publishing only the block address
5. None of the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 18**

In its simplest state, a ledger .

1. determines which node stores the assets
2. records the transfer of an asset between participants
3. proves ownership on the Blockchain
4. provides privacy to users on the Blockchain

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://developer.ibm.com/tutorials/cl-blockchain-basics-intro-bluemix-trs/

# QUESTION 19

Blockchain 3.0 combined with the internet 3.0 will dramatically increase Blockchain use?

1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 20**

If a node on the network were to lose a copy of the ledger, the ledger is not lost. The large number of other nodes have a copy and won’t lose track. This is known as .

1. Censorship
2. Immutability
3. Transparency
4. Redundancy

# Hidden Section: (none) Explanation Explanation/Reference:

**QUESTION 21**

What is the focus or primary goal of a private Blockchain? Select all that apply.

1. To provide anonymity in business
2. To save money by eliminating intermediaries
3. To create a distributed database that allows for CRUD
4. To provide transparency and trust for business while remaining secure

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 22**

Blockchain is faster and more efficient than a standard database.

1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://hackernoon.com/databases-and-blockchains-the-difference-is-in-their-purpose-and-design-56ba6335778b

# QUESTION 23

Blockchain technology uses .

1. the latest banking software
2. the same network S/W as the central bank
3. the latest router S/W and network H/W
4. A combination of older technology

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 24**

What is dApp?

1. A decentralized application
2. A dishonest application
3. A decoded application
4. A distributed application

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.coindesk.com/information/what-is-a-decentralized-application-dapp](http://www.coindesk.com/information/what-is-a-decentralized-application-dapp)

# QUESTION 25

The Blockchain combined with the Internet of Things (IoT) will dramatically .

1. increase the use of cryptocurrency
2. speed up the internet
3. make Bitcoin less expensive
4. increase device connectivity

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 26**

How much data can be represented by the data hash of a block?

1. a maximum of 20 MB
2. virtually any amount
3. not to exceed 100k bytes
4. the hash is only a memory location

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 27**

Cryptocurrencies are a security regulated by the Securities and Exchange Commission.

1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 28**

Once a record has been added to a Blockchain it can be altered.

1. True
2. False

# Hidden

**Section: (none) Explanation**

**Explanation/Reference:**

Reference: Once a record has been added to a Blockchain it can be altered **QUESTION 29**

In 2009, Bitcoin was created by .

1. Vitalik Buterin
2. Satoshi Nakamoto
3. Hyperledger Foundation
4. A Banking Consortium

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 30**

What are the drawbacks of using Blockchain? Select all that apply

1. High cost of developers
2. Changing technology and the lack of a stable standard
3. Its use of cryptography
4. Its use of new applications

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 31**

A Blockchain provides .

1. true information by all parties involved
2. a trusted transaction between untrusted parties
3. the easiest way to conduct international transactions
4. only trusted banks for conducting transactions

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 32**

The Blockchain ledger is commonly referred to as .

1. a database ledger
2. a triple-entry ledger
3. a double-entry ledger
4. a genesis block

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 33**

In which consensus algorithm is a nonce used?

1. Proof of Activity
2. Proof of Work
3. Proof of Stake
4. Proof of Burn
5. All of the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

Reference: https://[www.mycryptopedia.com/bitcoin-nonce-explained/](http://www.mycryptopedia.com/bitcoin-nonce-explained/)

# QUESTION 34

What does immutable mean?

1. Fault tolerant
2. Unable to be changed
3. Highly secure
4. None of the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 35**



Blockchain does not provide?

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1. Security
2. Immutability
3. Fault tolerance
4. Fact Transaction time

# Hidden

**Section: (none) Explanation**

**Explanation/Reference:**

**QUESTION 36**

The cryptocurrency Bitcoin is \_.

A. another application that runs on a Blockchain B. the same as all other cryptocurrencies

1. replacing bartering in many parts of the world
2. a replacement currency for the U.S. dollar

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 37**

Which of the following problems did Blockchain solve for cryptocurrencies?

1. Anonymity
2. Double Spending
3. Destination of currencies
4. None of the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 38**

One of Blockchain’s primary uses of cryptography is \_.

1. keeping the network configuration a secret
2. providing a public and private encryption key
3. allowing users to communicate with each other anonymously
4. keeping the I.P. addresses a secret

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 39**

Who governs a Blockchain?

1. The users
2. The architects
3. The creator of the Blockchain
4. The developers

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 40**

What do consensus methods achieve?

1. Anonymity in a peer to peer network
2. The highest level of security in a database by ensuring 51% agreement of nodes on the network.
3. The most efficient way of recording a transaction in any database.
4. It confirms that all nodes on the network are legitimate.
5. None of the above

# Hidden

**Section: (none) Explanation**

**Explanation/Reference:**

**QUESTION 41**

Where is a Blockchain's central server?

1. Where the Blockchain is created
2. Located with the owner of the server
3. There is no central server, it is distributed
4. Orderer Node
5. None of the above

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 42**

Cryptocurrencies have all the same characteristics as fiat currencies?

1. True
2. False

# Hidden Section: (none) Explanation

**Explanation/Reference:**

**QUESTION 43**

Why is Blockchain important?

1. It allows for a secure, global, and peer to peer record of data
2. It provides anonymity when making transactions
3. It is a free, trusted bank
4. It replaces all ledgers
5. All of the above

# Hidden Section: (none) Explanation Explanation/Reference:



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