

THE CORE - BITCOIN DIPLOMA ASSIGNMENT TWO APRIL - JUNE 2024

* Indicates required question

1. Email *

2. What is the primary reason prices have increased over the last century? *

Mark only one oval.

- ☐ Decreased demand for goods
- ☐ Inflation and money supply increase
- ☐ Increased production costs
- ☐ Option 4

3. Which of the following best describes the "fiat system"? *

Mark only one oval.

- ☐ A system where money has value by government decree
- ☐ A system where money is only in digital form
- ☐ A system where money is exchanged for goods directly
- ☐ A system where money is backed by gold

4. **What does "high time-preference" mean in the context of the fiat system? ***

Mark only one oval.

- ☐ Delaying consumption for future benefit
- ☐ Focusing on short-term gains over long-term planning
- ☐ Investing in long-term assets
- ☐ Prioritizing long-term savings

5. **How does the fiat system contribute to wealth inequality? ***

Mark only one oval.

- ☐ By concentrating wealth in the hands of a few
- ☐ By distributing wealth evenly
- ☐ By making everyone wealthier
- ☐ By stabilizing prices

6. **What is the "global debt spiral"? ***

Mark only one oval.

- ☐ A reduction in global debt
- ☐ A strategy to eliminate debt
- ☐ A method of increasing global wealth
- ☐ Governments accumulating more debt than they can repay

7. **What is a common reaction to rising prices in a fiat system? ***

Mark only one oval.

- ☐ People save more money
- ☐ People stop working
- ☐ People invest in long-term bonds
- ☐ People spend money quickly to avoid loss of value

8. **What is a significant social consequence of increasing wealth inequality? ***

Mark only one oval.

- ☐ Increased social harmony
- ☐ Decreased crime rates
- ☐ Social unrest and lack of trust in institutions
- ☐ Greater economic mobility

9. **What was the title of Satoshi Nakamoto's groundbreaking whitepaper? ***

Mark only one oval.

- ☐ Cryptocurrency for the People
- ☐ The Future of Money
- ☐ Bitcoin: A Peer-to-Peer Electronic Cash System
- ☐ Decentralized Finance

10. **When did Nakamoto mine the first Bitcoin block known as the "genesis block"?** *

Mark only one oval.

- ☐ October 31, 2009
- ☐ January 3, 2009
- ☐ December 15, 2008
- ☐ Option 4

11. **What was the main goal of creating Bitcoin according to Nakamoto?** *

Mark only one oval.

- ☐ To create a decentralized, open-sourced money system free from government control
- ☐ To improve banking systems
- ☐ To create a new social media platform
- ☐ To make a new form of investment

12. **Which term best describes Bitcoin's ability to function without central authority?** *

Mark only one oval.

- ☐ Controlled
- ☐ Dependent
- ☐ Regulated
- ☐ Trustless

13. **Which feature makes Bitcoin a suitable form of money for people in isolated or poor communities?** *

Mark only one oval.

- ☐ Accessibility with just a phone and internet connection
- ☐ Requirement for physical infrastructure
- ☐ Limited divisibility
- ☐ High transaction fees

14. **What is a key characteristic that makes Bitcoin different from traditional fiat money** *

Mark only one oval.

- ☐ Bitcoin is issued by central banks
- ☐ Bitcoin is decentralized and not controlled by any government
- ☐ Bitcoin has unlimited supply
- ☐ Bitcoin requires physical storage

15. **What is the main challenge Bitcoin faces in becoming a unit of account?** *

Mark only one oval.

- ☐ Lack of scalability
- ☐ Difficulty in dividing Bitcoin
- ☐ High transaction costs
- ☐ Limited adoption and integration into financial systems

16. **Which property of money is associated with Bitcoin's ability to move large sums quickly and cheaply?** *

Mark only one oval.

- ☐ Durability
- ☐ Acceptability
- ☐ Divisibility
- ☐ Portability

17. **What is an example of Bitcoin's growing acceptance as a medium of exchange?** *

Mark only one oval.

- ☐ Bitcoin being used to buy stocks
- ☐ Bitcoin being officially recognized as legal tender in El Salvador
- ☐ Bitcoin replacing traditional banking services
- ☐ Bitcoin becoming a government-issued currency

18. **What is one method of acquiring bitcoin mentioned in the text?** *

Mark only one oval.

- ☐ Peer-to-peer transactions
- ☐ Buying directly from a bank
- ☐ Government exchange programs
- ☐ Credit card purchases

19. **What is a key advantage of peer-to-peer (P2P) transactions? ***

Mark only one oval.

- ☐ Faster transaction speeds
- ☐ Elimination of intermediaries
- ☐ Government regulation
- ☐ Use of credit cards

20. **What is a common risk associated with using centralized exchanges? ***

Mark only one oval.

- ☐ Identity theft
- ☐ Slow transaction speeds
- ☐ Lack of customer support
- ☐ No risk at all

21. **What do centralized exchanges often require from users? ***

Mark only one oval.

- ☐ No information
- ☐ Only an email address
- ☐ Personal information and identity verification
- ☐ A phone number only

22. **What does "self-custodial" mean in the context of Bitcoin wallets? ***

Mark only one oval.

- ☐ The user controls their private keys
- ☐ The wallet is managed by a third party
- ☐ The wallet is hosted online
- ☐ The wallet is shared with another user

23. **What is a custodial wallet? ***

Mark only one oval.

- ☐ A wallet controlled by the user
- ☐ A hardware wallet
- ☐ A paper wallet
- ☐ A wallet where a third party controls the private keys

24. **What is the popular saying mentioned in the text that emphasizes the importance of controlling private keys? ***

Mark only one oval.

- ☐ "Bitcoin is forever"
- ☐ "Coins for the people"
- ☐ "In Bitcoin we trust"
- ☐ "Not your keys, not your coins"

25. **What should you consider when choosing a Bitcoin wallet? ***

Mark only one oval.

- ☐ The price of Bitcoin
- ☐ Security measures and privacy
- ☐ The age of the wallet provider
- ☐ The color of the wallet

26. **What happens if you lose access to your self-custodial wallet and do not have your recovery phrase? ***

Mark only one oval.

- ☐ You lose access to your bitcoins
- ☐ You can request a new wallet
- ☐ The wallet resets itself
- ☐ The Bitcoin network recovers it for you

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