

# THE, BITCOIN DIPLOMA ASSIGNMENT

## 2

Hello, The Core Members,

We have prepared Assignment Two, which will include questions from chapters Four and Five. We urge everyone who has enrolled to take the quizzes, as they will be recorded as part of the assessment. We also encourage you to check the slides posted in our Google Classroom.

If you are not part of any of our community groups, please use this link to join:

<https://linktr.ee/thecore21m>

Regards,

Felix Mukungu Founder, The Core

Email: [felixongoma43@gmail.com](mailto:felixongoma43@gmail.com)

Phone: +254 743 228 280

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\* Indicates required question

1. Email \*

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2. What motivated the Cypherpunks to create a digital currency like Bitcoin? \* 1 point

*Mark only one oval.*

- ☐ They were primarily interested in making a profit from Bitcoin
- ☐ They wanted to maintain control over traditional financial systems.
- ☐ They aimed to challenge traditional power structures and believed in the power of technology
- ☐ They wanted to create a centralized banking system

3. What is one drawback of centralized systems. \*

1 point

*Mark only one oval.*

- ☐ High efficiency and low costs
- ☐ Vulnerability and dependence on a single point of control
- ☐ Transparent and trustworthy operations
- ☐ Autonomy and individual financial decision-making

4. What are some advantages of a decentralized system \*

1 point

*Mark only one oval.*

- ☐ Limited security, controlled by a central authority, and restricted participation
- ☐ High efficiency, single point of failure, and limited scalability
- ☐ More resilience, security, transparency, inclusivity, and autonomy
- ☐ Dependence on intermediaries, central control, and predetermined limits

5. What is a blockchain? \*

1 point

*Mark only one oval.*

- ☐ A centralized ledger system
- ☐ A transparent record of transactions
- ☐ A decentralized digital ledger that securely records and verifies all transactions across multiple computers in a transparent manner
- ☐ A digital currency like Bitcoin

6. What is the primary role of miners in a blockchain system? \*

1 point

*Mark only one oval.*

- ☐ To verify and add new blocks of transactions to the blockchain
- ☐ To regulate the exchange rate of cryptocurrencies
- ☐ To control and manipulate the blockchain
- ☐ To create new digital currencies

7. How does a Bitcoin's blockchain ensure the security and integrity of recorded transactions?

\* 1 point

*Mark only one oval.*

- ☐ By allowing anyone to edit or delete recorded transactions
- ☐ By relying on a central authority for verification
- ☐ By having a single point of control that can be targeted by hackers
- ☐ By making it hard for any one person or group to change any information without being noticed

8. What is the key feature of Rai stones as a form of money on Yap Island? \*

1 point

*Mark only one oval.*

- ☐ Their ease of use in modern banking
- ☐ Their scarcity, which makes them a reliable store of value
- ☐ Their ability to prevent inflation and manipulation
- ☐ Their portability and convenience for everyday transactions

9. In the absence of a central authority, how do transactions with Rai stones on Yap Island work? \* 1 point

*Mark only one oval.*

- ☐ They are based on oral history and trust, with people keeping track of their own records of who owns which stones
- ☐ They rely on complex digital ledger systems
- ☐ They are regulated by a government agency
- ☐ They use traditional bank accounts for record-keeping

10. What is the primary purpose of a blockchain in the context of Bitcoin? \* 1 point

*Mark only one oval.*

- ☐ To create a centralized form of digital currency
- ☐ To record and verify all Bitcoin transactions in a transparent and secure manner
- ☐ To prevent the creation of new bitcoin
- ☐ To eliminate the need for intermediaries in financial transactions

11. Who is Satoshi Nakamoto? \* 1 point

*Mark only one oval.*

- ☐ A famous actor
- ☐ The pseudonymous creator of Bitcoin
- ☐ An author of science fiction novels
- ☐ A renowned chef

12. What is the primary goal of Bitcoin, according to Satoshi Nakamoto? \* 1 point

*Mark only one oval.*

- ☐ To create a centralized digital currency
- ☐ To create a physical coin-based currency
- ☐ To maintain secrecy and anonymity
- ☐ To provide global, transparent, decentralized and p2p digital currency.

13. How many bitcoins is Satoshi Nakamoto estimated to have? \* 1 point

*Mark only one oval.*

- ☐ 1 million
- ☐ 10 million
- ☐ 100 million
- ☐ zero

14. What is the purpose of a digital signature in Bitcoin transactions? \* 1 point

*Mark only one oval.*

- ☐ To verify the transaction amount
- ☐ To encrypt the entire transaction
- ☐ To prove the authenticity of transaction and verify the identity of the sender
- ☐ To double-spend bitcoin

15. What prevents the double-spending of bitcoins in the Bitcoin network? \* 1 point

*Mark only one oval.*

- ☐ The use of physical coins
- ☐ Digital wallets
- ☐ Government regulations
- ☐ The mining process and decentralized network consensus

16. How do new bitcoin enter the Bitcoin network? \* 1 point

*Mark only one oval.*

- ☐ Through the purchase of goods and services
- ☐ By mining, where miners are rewarded with newly minted bitcoins for adding new blocks to the blockchain
- ☐ By exchanging them for traditional currencies
- ☐ Through a centralized authority

17. What is the difference between a private key and a public key in Bitcoin? \* 2 points

*Mark only one oval.*

- ☐ A private key is kept secret and used to sign transactions, while a public key is shared and used to verify transactions.
- ☐ They are the same and can be used interchangeably.
- ☐ A private key is used for encryption, and a public key is used for decryption.
- ☐ A private key is a physical hardware device, and a public key is a software program.

18. Can Bitcoin transactions be shut down completely by governments \*

1 point

*Mark only one oval.*

- ☐ Yes, governments can easily shut down Bitcoin.
- ☐ No, Bitcoin is decentralized, making it impossible to shut down completely.
- ☐ Yes, Bitcoin transactions can be easily controlled by a central authority.
- ☐ No, Bitcoin transactions can only be shut down by miners.

19. When was the "Bitcoin Whitepaper" published? \*

1 point

*Mark only one oval.*

- ☐ 2005
- ☐ 2001
- ☐ 2008
- ☐ 2010

20. What are the three main types of participants in the Bitcoin network? \*

1 point

*Mark only one oval.*

- ☐ Miners, exchanges, and nodes
- ☐ Users, miners, and developers
- ☐ Service plazas, nodes, and car dealerships
- ☐ Engineers, service plazas, and regular individuals

21. What is the purpose of the mempool in Bitcoin? \*

2 points

*Mark only one oval.*

- ☐ It charges fees for transaction processing.
- ☐ It is a permanent record of all transactions.
- ☐ It is a waiting area for verified transactions.
- ☐ It is a form of digital signature.

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