

THE CORE - BITCOIN DIPLOMA ASSIGNMENT 2 JULY- SEP 2025 (COHORT 7)

* Indicates required question

1. What does the term 'Money Supply' refer to? *

Mark only one oval.

- ☐ Only the physical cash in circulation
- ☐ Total amount of money in circulation in an economy
- ☐ Money held by the government only
- ☐ Profits made by banks

2. What effect does inflation have on saving money today? *

Mark only one oval.

- ☐ Discourages saving due to rapid value loss
- ☐ Encourages long-term saving
- ☐ Makes saving easier
- ☐ Has no impact on savings behavior

3. **What happens to real wages when adjusted for inflation, according to the text?** *

Mark only one oval.

- ☐ They always match inflation
- ☐ They rise sharply
- ☐ They stagnate

4. **What does the 'treadmill' analogy suggest about modern work life?** *

Mark only one oval.

- ☐ People are getting wealthier
- ☐ People work harder but get less ahead
- ☐ People enjoy running more
- ☐ Most work fewer hours now

5. **Why do many people turn to credit, according to the text?** *

Mark only one oval.

- ☐ To build credit scores
- ☐ It makes people more optimistic about the future
- ☐ To avoid taxes
- ☐ To survive increasing costs

6. **What is the central message about fiat currency in this chapter? ***

Mark only one oval.

- ☐ It becomes stronger over time
- ☐ It loses value and purchasing power
- ☐ It creates equal opportunity
- ☐ It is backed by gold

7. **What does the fiat system fundamentally rely on for its operation? ***

Mark only one oval.

- ☐ Debt creation
- ☐ Gold reserves
- ☐ International trade
- ☐ Natural resources

8. **What is the primary concern of the Cypherpunk movement? ***

Mark only one oval.

- ☐ Political campaigning
- ☐ Building centralized tech platforms
- ☐ Privacy and personal freedom through cryptography
- ☐ Creating new banking systems

9. **What strategy did Cypherpunks choose to preserve freedom? ***

Mark only one oval.

- ☐ Legal protests
- ☐ Lobbying politicians
- ☐ Building decentralized technologies
- ☐ Partnering with governments

10. **What was Nakamoto's primary goal in creating Bitcoin? ***

Mark only one oval.

- ☐ To make it a centralized system
- ☐ To create a stable government-backed currency
- ☐ To separate money from the state and create a decentralized financial system
- ☐ To eliminate financial institutions

11. **What was the purpose of Nakamoto's whitepaper released in 2008? ***

Mark only one oval.

- ☐ To create a centralized payment system
- ☐ To promote credit-based currencies
- ☐ To build a private bank
- ☐ To introduce a peer-to-peer electronic cash system

12. What is one major goal of Bitcoin? *

Mark only one oval.

- ☐ To enforce taxation
- ☐ To separate money from the state
- ☐ To make cash obsolete
- ☐ To replace internet protocols

13. When was the Bitcoin genesis block mined? *

Mark only one oval.

- ☐ October 2008
- ☐ December 2007
- ☐ March 2010
- ☐ January 3, 2009

14. What does it mean when people say Bitcoin is an agreement? *

Mark only one oval.

- ☐ Everyone running Bitcoin software agrees on the same rules
- ☐ People sign contracts to use it
- ☐ Governments agree to enforce its use
- ☐ Banks regulate its usage

15. **Why is Bitcoin resistant to attacks? ***

Mark only one oval.

- ☐ Because of its government affiliation
- ☐ Due to decentralization and global distribution of nodes and miners
- ☐ Because it is offline
- ☐ It uses national firewalls

16. **What do Bitcoin projects focus on? ***

Mark only one oval.

- ☐ Enforcing regulation
- ☐ Creating fiat alternatives
- ☐ Selling gold-backed coins
- ☐ Promoting freedom and adoption of Bitcoin

17. **Which of the following is NOT a way to acquire bitcoin? ***

Mark only one oval.

- ☐ Get paid in bitcoin
- ☐ Exchange fiat for bitcoin
- ☐ Print new bitcoins
- ☐ Mine bitcoin

18. **What is a major risk of using centralized exchanges? ***

Mark only one oval.

- ☐ Your bitcoins are held by the exchange
- ☐ You need to mine bitcoin first
- ☐ You can't buy bitcoin
- ☐ They have no fees

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

Mark only one oval.

- ☐ Just a username
- ☐ Bitcoin wallet only
- ☐ Personal information and identity verification
- ☐ No information at all

20. **What happens if a centralized exchange collapses? ***

Mark only one oval.

- ☐ The central bank will bail it out
- ☐ The government refunds you
- ☐ Bitcoin stops working

21. **What gives you ownership of your bitcoins? ***

Mark only one oval.

- ☐ Having a username
- ☐ Having internet access
- ☐ Having the private keys
- ☐ Having a wallet app

22. **What is a self-custodial wallet? ***

Mark only one oval.

- ☐ A wallet controlled by a third party
- ☐ A government-backed wallet
- ☐ A wallet where the user controls the private keys
- ☐ A custodial bank wallet

23. **In custodial wallets, who controls the bitcoin? ***

Mark only one oval.

- ☐ A third-party provider
- ☐ The user
- ☐ The bank
- ☐ The government

24. **What is the purpose of a seed phrase in a Bitcoin wallet? ***

Mark only one oval.

- ☐ To receive Bitcoin
- ☐ To send Bitcoin
- ☐ To calculate mining rewards
- ☐ To recover or restore your wallet

25. **What is the first step in receiving a Bitcoin transaction? ***

Mark only one oval.

- ☐ Sign the transaction
- ☐ Enter the sender's address
- ☐ Bitcoin savings earn guaranteed interest
- ☐ Open the miner app

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