

Untitled form THE CORE - BITCOIN DIPLOMA ASSIGNMENT TWO JAN - MARCH 2024

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Hello,

This is our second assignment for the Bitcoin Diploma Course. It is a multiple-choice quiz that carries 25 points Covering chapter **4, 5 & 6**

The assignment will be open from **26th Feb to 8th March 2024**. Please take the time to go through the quiz. Once you pick an answer, you cannot choose another answer for the same question. This is designed to help with your understanding as we progress through our course.

Assignment 1 and 2 each carry **25** points, and the final test carries 50 points, bringing the total to **100 points**. The pass mark to **graduate is 65 points from both assignments 1, 2**, and the final test, along with a **60% class** attendance. Upon successful completion, you will be awarded a certificate of completion with **a reward of 500 SATs per person**. SATs are the smallest unit of a Bitcoin and will be sent directly to your Bitcoin wallet.

Please make use of **the email you used** during the registration for the **Jan-March Intake**. **If you haven't Downloaded the Text Book, please Click the link attached to download the soft Copy:**

[BITCOIN DIPLOMA TEXT BOOK](#)

If you run to any sort of problem please reach us or directly to our Founder, Felix Mukungu

All the best.

Best Regards,
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* Indicates required question

1. Email *
-

2. **What motivated the Cypherpunks to create bitcoin? ***

1 point

Mark only one oval.

- ☐ Profit-driven goals
- ☐ Addressing problems in traditional finance
- ☐ Government intervention in technology

3. **In the context of traditional banking, what is a drawback of centralized systems mentioned in the text?**

* 1 point

Mark only one oval.

- ☐ Faster transactions
- ☐ Lack of transparency
- ☐ Increased autonomy for individuals

4. **How is the Rai stone system on Yap Island different from the US Dollar system?**

* 1 point

Mark only one oval.

- ☐ Rai stones are digital currency
- ☐ Rai stones are controlled by a central authority
- ☐ Rai stones transactions rely on oral history and trust

5. **What advantage do decentralized systems have over centralized systems according to the text?**

* 1 point

Mark only one oval.

- ☐ Increased vulnerability
- ☐ More reliance on intermediaries
- ☐ Resilience with no single point of failure

6. **What is the role of miners in the Bitcoin's network? ***

2 points

Mark only one oval.

- ☐ Adding new blocks to the Bitcoin's Blockchain
- ☐ Editing or deleting information in the blockchain
- ☐ Reading the blockchain

7. **Why is the bitcoin's blockchain considered a more secure method of record-keeping compared to a traditional central database?**

* 1 point

Mark only one oval.

- ☐ It can be edited by a central authority
- ☐ It relies on personal relationships
- ☐ It doesn't have a central authority to edit, delete, or change information

8. **What is the abbreviation for bitcoin, and satothis? ***

1 point

Mark only one oval.

- ☐ \$, Sats
- ☐ BTC, Satoshi
- ☐ BTC, Sats

9. **Why is bitcoin considered a divisible currency, and what is the smallest unit of bitcoin called?**

* 1 point

Mark only one oval.

- ☐ bitcoin is divisible into 100 million units called satoshis
- ☐ bitcoin is divisible into 100 units
- ☐ bitcoin is not divisible

10. **What is the main purpose of the Bitcoin's blockchain, as mentioned in the text?**

* 1 point

Mark only one oval.

- ☐ To promote centralization
- ☐ To decentralize decision-making
- ☐ To securely record and verify transactions

11. **How does a bitcoin transaction correspond to a physical note in terms of identification?**

* 1 point

Mark only one oval.

- ☐ Each bitcoin has a unique digital fingerprint
- ☐ bitcoin transactions have a physical form
- ☐ bitcoin transactions are identified by a person's ID

12. **How do you use bitcoin, and what is needed to set it up? ***

1 point

Mark only one oval.

- ☐ A credit card is needed to use bitcoin
- ☐ A digital wallet on your computer or phone is needed
- ☐ Bitcoin is used without any setup

13. **Can Bitcoin be shut down, and why is it difficult to do so? ***

1 point

Mark only one oval.

- ☐ Yes, governments have complete control over shutting down Bitcoin
- ☐ No, Bitcoin is decentralized, making it difficult to shut down completely
- ☐ Bitcoin can only be shut down by miners

14. **How are miners rewarded for adding a new block to the bitcoin's blockchain? ***

1 point

Mark only one oval.

- ☐ They receive a fixed salary
- ☐ They receive payments from the government
- ☐ They receive compensation with newly minted bitcoin

15. **What role do developers play in the Bitcoin network? ***

1 point

Mark only one oval.

- ☐ Verifying transactions
- ☐ Writing new transactions on the blockchain
- ☐ Maintaining and proposing improvements to the Bitcoin software

16. **What is the maximum limit for the total amount of bitcoin that can ever be made?** * 1 point

Mark only one oval.

- ☐ 50 million
- ☐ 100 million
- ☐ 21 million

17. **According to the text, what gives bitcoin its value?** * 1 point

Mark only one oval.

- ☐ Being backed by physical assets
- ☐ Scarcity, utility, and perceived value by investors and users
- ☐ Being controlled by a government

18. **What is the key difference between a bank account and a Bitcoin wallet, according to the text?** * 1 point

Mark only one oval.

- ☐ Bank accounts are decentralized, while Bitcoin wallets are centralized.
- ☐ Bitcoin wallets are centralized, while bank accounts are decentralized.
- ☐ Bitcoin wallets are decentralized, and bank accounts are centralized.

19. **In a self-custodial wallet, who holds the private keys?** * 1 point

Mark only one oval.

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

20. **According to the text, what does the saying "Not your keys, not your coins" emphasize?** * 1 point

Mark only one oval.

- ☐ The importance of having physical coins
- ☐ The necessity of having control over private keys for true ownership
- ☐ The need for government intervention in Bitcoin transactions

21. **What is the main advantage of using a hardware wallet?** * 1 point

Mark only one oval.

- ☐ Very secure and can be used offline
- ☐ Complete control over funds and transactions
- ☐ Easy recovery if access is lost

22. **How does the text describe on-chain transactions in Bitcoin?** * 1 point

Mark only one oval.

- ☐ They are settled faster and with lower fees.
- ☐ They happen on a separate network built on top of the Bitcoin blockchain.
- ☐ They happen directly on the Bitcoin blockchain and take about 10 minutes to confirm.

23. **According to the text, what is the role of a recovery or backup phrase in a Bitcoin wallet?**

* 1 point

Mark only one oval.

- ☐ It generates private keys for the wallet
- ☐ It acts as a password for the wallet
- ☐ It creates a link to the Bitcoin blockchain

24. **What is the primary consideration when choosing a Bitcoin wallet, as mentioned in the text?**

* 1 point

Mark only one oval.

- ☐ The reputation of the wallet providers
- ☐ The availability of customer support
- ☐ The fees charged by different wallets

25. **What is the advantage of using the Lightning Network in Bitcoin transactions?**

* 1 point

Mark only one oval.

- ☐ Slower and cheaper transactions
- ☐ Increased scalability and no need for on-chain transactions
- ☐ Faster transactions with higher fees

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