

THE CORE - BITCOIN DIPLOMA FINAL TEST JAN - MARCH 2024 (COHORT 6)

* Indicates required question

1. **What is the primary role of money in an economy? ***

Mark only one oval.

- ☐ To provide goods and services
- ☐ To create wealth
- ☐ To facilitate trade
- ☐ To control governments

2. **Why is money considered more efficient than bartering? ***

Mark only one oval.

- ☐ It eliminates the need to exchange goods directly
- ☐ It creates wealth instantly
- ☐ It allows people to avoid taxes
- ☐ It increases the value of goods

3. **What is one of the main functions of money as a store of value? ***

Mark only one oval.

- ☐ To serve as a physical commodity
- ☐ To allow bartering
- ☐ To be scarce and unusable
- ☐ To resist depreciation over time

4. **Why is divisibility an important property of money? ***

Mark only one oval.

- ☐ It ensures durability over time
- ☐ It increases portability
- ☐ It allows people to make transactions of various amounts
- ☐ It helps money resist inflation

5. **Why is scarcity essential for money to maintain its value? ***

Mark only one oval.

- ☐ To make money difficult to transport
- ☐ To allow unlimited printing
- ☐ To reduce its acceptability
- ☐ To prevent inflation and ensure purchasing power

6. **Which of the following is an example of the unit of account function of money? ***

Mark only one oval.

- ☐ Setting the price of a car at \$20,000
- ☐ Using cows to trade for goods
- ☐ Using gold to purchase food
- ☐ Trading one good for another

7. **What would happen if money were not scarce? ***

Mark only one oval.

- ☐ Its value would decrease due to overabundance
- ☐ Its value would increase
- ☐ It would become more durable
- ☐ It would be more acceptable

8. **Why is acceptability a crucial characteristic of money? ***

Mark only one oval.

- ☐ It ensures money's durability
- ☐ It guarantees money can be divided
- ☐ It ensures people trust and use it for trade
- ☐ It helps prevent money from being destroyed

9. **What was a major drawback of the barter system? ***

Mark only one oval.

- ☐ It was the most efficient system
- ☐ It encouraged international trade
- ☐ It was faster than modern banking
- ☐ It required a double coincidence of wants

10. **Why was commodity money more efficient than bartering? ***

Mark only one oval.

- ☐ It had intrinsic value and was widely accepted
- ☐ It was easier to carry
- ☐ It eliminated all trade problems
- ☐ It allowed instant global trade

11. **Under the Bretton Woods system, what was the U.S. dollar backed by? ***

Mark only one oval.

- ☐ Silver
- ☐ Oil
- ☐ Gold
- ☐ Government bonds

12. **What is fiat money? ***

Mark only one oval.

- ☐ Money not backed by a physical commodity & Issued by Governments
- ☐ Cryptocurrency
- ☐ Money backed by gold
- ☐ Bartered goods

13. **What is one problem associated with fiat money? ***

Mark only one oval.

- ☐ It is too heavy to carry
- ☐ It cannot be used internationally
- ☐ It is subject to inflation and government manipulation

14. **What event officially ended the gold standard and created the fiat system? ***

Mark only one oval.

- ☐ The Great Depression
- ☐ The Nixon Shock of 1971
- ☐ The 2008 Financial Crisis
- ☐ The Federal Reserve Act of 1913

15. **What is the primary characteristic of fiat money? ***

Mark only one oval.

- ☐ It is backed by gold reserves
- ☐ It is a decentralized currency
- ☐ It has value because it is mandated by law
- ☐ It is immune to inflation

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17. **How does inflation affect the purchasing power of money? ***

Mark only one oval.

- ☐ It increases the value of money over time
- ☐ It keeps the value of money constant
- ☐ It eliminates the need for money altogether
- ☐ It decreases the value of money, making goods and services more expensive

18. **Why do individuals end up working more jobs and longer hours? ***

Mark only one oval.

- ☐ Because their wages do not keep up with inflation
- ☐ Because they want to afford luxury goods
- ☐ Because inflation helps them save more money
- ☐ Because they enjoy working extra hours

19. **Why did the Cypherpunks seek a decentralized digital currency? ***

Mark only one oval.

- ☐ To allow governments more control over the economy
- ☐ To create a new centralized banking system
- ☐ To separate money from state control and ensure financial freedom
- ☐ To increase government surveillance over financial transactions

20. **What was the title of the whitepaper Nakamoto released in October 2008? ***

Mark only one oval.

- ☐ "Bitcoin: A Peer-to-Peer Electronic Cash System"
- ☐ "Bitcoin: The Decentralized Revolution"
- ☐ "Bitcoin and the Future of Finance"

21. **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

22. **What feature makes Bitcoin's rules resistant to manipulation? ***

Mark only one oval.

- ☐ Centralized control by financial institutions
- ☐ Government-backed regulations
- ☐ High transaction fees
- ☐ The immutability of its ledger

23. **Who are Bitcoin nodes responsible for? ***

Mark only one oval.

- ☐ Running mining operations
- ☐ Implementing government regulations
- ☐ Validating transactions and maintaining a copy of the ledger
- ☐ Designing Bitcoin's software

24. **Which of the following is a way Bitcoin is empowering communities? ***

Mark only one oval.

- ☐ By providing access to a global monetary system for everyone with internet access
- ☐ By making it harder for unbanked people to access financial services
- ☐ By offering high interest rates to Bitcoin investors
- ☐ By creating a centralized banking system

25. **How does Bitcoin prevent counterfeit coins? ***

Mark only one oval.

- ☐ The 21 million coin limit is enforced by code
- ☐ Banks regulate Bitcoin transactions
- ☐ Government authorities oversee the network
- ☐ New bitcoins are printed when needed

26. **What is one of the key benefits of using Bitcoin? ***

Mark only one oval.

- ☐ Increased dependency on banks
- ☐ Government-backed security
- ☐ Financial sovereignty and empowerment
- ☐ No need for private keys

27. **What is the smallest unit of Bitcoin called? ***

Mark only one oval.

- ☐ Bit
- ☐ MilliBTC
- ☐ Satoshi
- ☐ Microcoin

28. **What is a peer-to-peer (P2P) transaction? ***

Mark only one oval.

- ☐ A transaction done through a bank
- ☐ A transaction done with the involvement of the government
- ☐ A transaction done only online
- ☐ A direct exchange of Bitcoin between individuals

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

Mark only one oval.

- ☐ A wallet managed by an exchange
- ☐ A wallet that doesn't require a password
- ☐ A wallet that is only used for mining
- ☐ A wallet where the user controls their private keys

30. **What does a Bitcoin transaction represent? ***

Mark only one oval.

- ☐ A transfer of ownership on the blockchain
- ☐ A deposit into a centralized bank
- ☐ A transfer of physical Bitcoin
- ☐ An increase in Bitcoin supply

31. **What is an "on-chain" transaction? ***

Mark only one oval.

- ☐ A transaction that occurs outside the Bitcoin network
- ☐ A transaction that does not require network fees
- ☐ A transaction that is private and untraceable
- ☐ A transaction that is recorded on the Bitcoin blockchain

32. **Which of the following is NOT required to send Bitcoin? ***

Mark only one oval.

- ☐ A government-issued ID
- ☐ The recipient's Bitcoin address
- ☐ The sender's private key
- ☐ A Bitcoin wallet

33. **Why is it important to double-check the recipient's Bitcoin address before sending funds? ***

Mark only one oval.

- ☐ The Bitcoin network charges extra fees for errors
- ☐ Miners will reject incorrect transactions
- ☐ The network will automatically correct errors
- ☐ Transactions cannot be reversed once added to the blockchain

34. **How many satoshis are in one Bitcoin? ***

Mark only one oval.

- ☐ 1,000
- ☐ 100,000
- ☐ 10,000,000
- ☐ 100,000,000

35. **What tool can be used to find businesses that accept Bitcoin? ***

Mark only one oval.

- ☐ BTCMap.org
- ☐ Bitcoin ATM Finder
- ☐ Google Maps

36. **A way to convert Bitcoin to fiat currency ***

Mark only one oval.

- ☐ It requires a bank account
- ☐ It has strict legal requirements
- ☐ It is only available in developed countries
- ☐ It allows people in remote areas to transact without traditional banking systems

37. **What is BTCPay Server? ***

Mark only one oval.

- ☐ A centralized payment processor
- ☐ A cryptocurrency exchange
- ☐ An open-source tool for merchants to accept Bitcoin payments
- ☐ A traditional banking service

38. **What is a key benefit of saving in Bitcoin? ***

Mark only one oval.

- ☐ Bitcoin is controlled by governments
- ☐ Bitcoin transactions can be reversed if needed
- ☐ Bitcoin savings earn guaranteed interest
- ☐ Bitcoin protects against inflation and provides financial security

39. **Bitcoin savings earn guaranteed interest ***

Mark only one oval.

- ☐ Users should always trust Bitcoin influencers
- ☐ Bitcoin transactions require trust in a central authority
- ☐ Users should verify information instead of trusting blindly
- ☐ Bitcoin transactions are reversible if verified

40. **What should a Bitcoin receiver do after receiving a transaction? ***

Mark only one oval.

- ☐ Send a confirmation message to the sender
- ☐ Verify that the amount matches what was sent
- ☐ Request a refund if they received too much
- ☐ Wait for 24 hours before using the funds

41. **Why is it important to double-check the recipient's Bitcoin address before sending funds? ***

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42. **What does public key cryptography enable? ***

Mark only one oval.

- ☐ Secure communication without sharing private keys
- ☐ A centralized banking system
- ☐ Faster mining rewards
- ☐ The elimination of digital signatures

43. **What is the role of UTXOs in Bitcoin? ***

Mark only one oval.

- ☐ They store Bitcoin transactions on a central ledger
- ☐ They represent individual units of Bitcoin that can be spent
- ☐ They increase the mining reward
- ☐ They replace the need for public keys

44. **What is a private key used for in Bitcoin transactions? ***

Mark only one oval.

- ☐ Secure communication without sharing private keys
- ☐ It is used to mine Bitcoin
- ☐ It signs transactions and proves ownership
- ☐ It encrypts messages for communication

45. **How do CBDCs give governments more control over financial transactions? ***

Mark only one oval.

- ☐ By allowing them to track and restrict transactions
- ☐ By increasing financial privacy
- ☐ By decentralizing the financial system
- ☐ By preventing money from being used

46. **How is Bitcoin's supply different from CBDCs? ***

Mark only one oval.

- ☐ Bitcoin has an unlimited supply
- ☐ CBDCs have a fixed supply
- ☐ Bitcoin has a limited supply of 21 million coins
- ☐ Governments control Bitcoin's supply

47. **What is one of the key risks of using CBDCs? ***

Mark only one oval.

- ☐ They are permissionless like Bitcoin
- ☐ They provide complete financial privacy
- ☐ Governments can use them for surveillance
- ☐ They operate without government intervention

48. **Why do people consider Bitcoin a reliable store of value? ***

Mark only one oval.

- ☐ Because its supply is fixed and cannot be changed
- ☐ Because its supply is unlimited
- ☐ Because it is controlled by governments
- ☐ Because it is constantly increasing in price

49. **How does Bitcoin help protect financial sovereignty? ***

Mark only one oval.

- ☐ By allowing governments to control transactions
- ☐ By requiring permission for transactions
- ☐ By enabling individuals to control their own money
- ☐ By making financial activities less private

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