THE CORE - BITCOIN DIPLOMA ASSIGNMENT TWO SEP - DEC 2024 (COHORT 5)

* Indicates required question

1. **What is the primary financial challenge people face as they work more jobs and hours?**   * 1 point

   Mark only one oval.

   ( ) Achieving significant wealth

   ( ) Decreasing workload

   ( ) Improving work-life balance

   ( ) Maintaining the same standard of living

2. **What is the primary reason governments can accumulate large amounts of debt in the fiat system?**   * 1 point

   Mark only one oval.

   ( ) They can print money as needed.

   ( ) They have minimal regulation.

   ( ) They produce fewer goods.

   ( ) They receive continuous foreign aid.

3.   **What is one negative effect of the fiat system on wealth distribution?** *   1 point

Mark only one oval.

◯ Wealth is concentrated among a select few.

◯ Wealth is evenly distributed.

◯ Everyone has equal economic opportunities.

4.   **How has the fiat system influenced people's outlook on the future?** *   1 point

Mark only one oval.

◯ They become more optimistic.

◯ They are encouraged to save more.

◯ They prioritize short-term gains over long-term planning.

◯ They have a strong sense of financial security.

5.   **Which sector often benefits first from newly printed money in the fiat** * 1 point
     system?

Mark only one oval.

◯ Average citizens

◯ Small businesses

◯ Powerful individuals and entities

6. **What is a potential societal effect of increased wealth inequality?** * 1 point

Mark only one oval.

◯ Social unrest

◯ Increased wages for all

◯ Decreased political activity

◯ More government benefits for the rich

7. **What did the Cypherpunks believe about technology?** * 1 point

Mark only one oval.

◯ What did the Cypherpunks believe about technology?

◯ It should primarily be for surveillance.

◯ It should be used to protect personal freedoms.

8. **What is a "single point of failure" in a centralized system?** * 1 point

Mark only one oval.

◯ A benefit for all users

◯ A feature that improves efficiency

◯ An example of wealth distribution

◯ A risk where the entire system can collapse if it fails

9. **Who published the whitepaper titled "Bitcoin: A Peer-to-Peer Electronic Cash System"?** * 1 point

Mark only one oval.

◯ Hal Finney

◯ Gavin Andresen

◯ Vitalik Buterin

◯ Satoshi Nakamoto

10. **Which group helps to secure the Bitcoin network through the Proof-of-Work (PoW) mechanism?** * 1 point

Mark only one oval.

◯ Nodes

◯ Miners

◯ Users

◯ Developers

11. **How is Bitcoin described in the Bitcoin Diploma as a form of money?** * 1 point

Mark only one oval.

◯ Sound digital money

◯ A high-risk investment

◯ Government-backed currency

◯ A complex banking instrument

12. **What feature of Bitcoin prevents more than 21 million coins from ever being created?**   * 1 point

Mark only one oval.

◯ Approval from financial institutions

◯ Miners' voting

◯ Public consensus

◯ Bitcoin's programmed code

13. **Which country officially recognizes Bitcoin as legal tender?** *   1 point

Mark only one oval.

◯ El Salvador

◯ Brazil

◯ Canada

◯ India

14. **What main advantage does Bitcoin have over fiat currencies in terms of scarcity?**   * 1 point

Mark only one oval.

◯ Bitcoin has a capped supply of 21 million

◯ Bitcoin can be controlled by any country

◯ Bitcoin can be endlessly reproduced

◯ Fiat currencies have limited availability

15. **What type of transaction allows you to exchange fiat for bitcoin directly with another individual?** * 1 point

Mark only one oval.

◯ Bank transfers

◯ Peer-to-peer (P2P)

◯ Centralized exchange

◯ Government-issued bonds

16. **Why might centralized exchanges pose a risk?** * 1 point

Mark only one oval.

◯ They don't support bitcoin

◯ They hold personal information and bitcoin for users

◯ They are too complex to use

◯ They don't allow fiat exchanges

17. **What does self-custody mean?** * 1 point

Mark only one oval.

◯ The user must register with a bank

◯ Funds are stored on paper wallets

◯ A third-party oversees the funds

◯ The user controls their own private keys

18. **Which phrase means you only own your coins if you have direct access to the private keys?**   * 1 point

Mark only one oval.

◯ Keys are shared, so are coins

◯ Coins without strings

◯ Not your keys, not your coins

◯ Own the network

19. **What is a main characteristic of a hardware wallet?** *   1 point

Mark only one oval.

◯ Only accessible via internet

◯ Stores bitcoins offline

◯ Primarily used for small transactions

◯ Uses fiat currency as a backup

20. **In a self-custodial wallet, where should the recovery phrase be kept?**   * 1 point

Mark only one oval.

◯ Publicly online

◯ In the wallet interface

◯ On a social media account

◯ In a secure location

21. **Which type of wallet is suggested for new users?** *　　　1 point

Mark only one oval.

◯ Easy to use and navigate

◯ Must be highly complex

◯ Uses only custodial wallets

22. **What is one function of a Bitcoin wallet?** *　　　1 point

Mark only one oval.

◯ To print bitcoins

◯ To check USD balances

◯ To send and receive transactions

◯ To interact with banks directly

23. **Why is open-source code significant for Bitcoin wallets?** *　　　1 point

Mark only one oval.

◯ It restricts usage to certain users

◯ It allows the community to review and develop the code

◯ It is only available for custodial wallets

◯ It provides better fiat conversion

24. **What is one of the main advantages of saving in Bitcoin?** *   1 point

Mark only one oval.

( ) It has no transaction fees

( ) It can only be stored online for security

( ) It can be controlled by anyone at any time

( ) It safeguards against inflation and allows wealth building over time

25. **Why is an on-chain transaction considered the safest way to transact with bitcoins?**   * 1 point

Mark only one oval.

( ) It occurs on the main Bitcoin network blockchain

( ) It uses a secondary network

( ) It bypasses miners

( ) It's cheaper than other methods

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