

THE CORE - BITCOIN DIPLOMA OCT - DEC 2023 COHORT ASSIGNMENT 2

* Indicates required question

1. 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

2. 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

3. 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

4. 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

5. 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

6. 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

7. 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

8. 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

9. 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

10. 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

11. 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.

12. How many bitcoins is Satoshi Nakamoto estimated to have? *

1 point

Mark only one oval.

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

13. 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

14. 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

15. 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

16. 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.

17. 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.

18. When was the "Bitcoin Whitepaper" published? *

1 point

Mark only one oval.

☐ 2005

☐ 2001

☐ 2008

☐ 2010

19. 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

20. 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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