

# THE CORE- BITCOIN DIPLOMA APRIL- JUNE 2024 COHORT FINAL TEST

Hello,

This is our final test for the Bitcoin Diploma Course. It is a multiple-choice quiz that carries 50 points Covering

## **All Chapters**

The test will be open from **14th June to 18th June 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**.

Please make use of **the email you used** during the registration for the **April-June 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. **Money allows us to avoid bartering by providing...** \*

1 point

*Mark only one oval.*

- ☐ Physical object
- ☐ Medium of exchange
- ☐ Financial contract
- ☐ Market system

3. **Which of the following is a function of money mentioned in the text?**

\* 1 point

*Mark only one oval.*

- ☐ Creating debts
- ☐ Unit of account
- ☐ Managing resources
- ☐ Generating income

4. **Which characteristic of money ensures it can be divided into smaller units for transactions?** \*

1 point

*Mark only one oval.*

- ☐ Divisibility
- ☐ Durability
- ☐ Portability
- ☐ Acceptability

5. **what does time preference refer to?** \*

1 point

*Mark only one oval.*

- ☐ The importance of saving money
- ☐ Preference for immediate gains over future benefits
- ☐ Allocating resources efficiently
- ☐ Choosing between different types of currency

6. **What was one of the benefits of bartering according to the text?** \*

1 point

*Mark only one oval.*

- ☐ Direct exchange of goods and services
- ☐ Use of metal coins
- ☐ Adoption of paper money
- ☐ Efficient large transactions

7. **How did the community address the issues with metal coins?** \*

1 point

*Mark only one oval.*

- ☐ Returned to bartering
- ☐ Started using paper receipts
- ☐ Adopted electronic money
- ☐ Used plastic cards

8. **What happened in 1971 that marked the end of the gold standard?** \* 1 point

*Mark only one oval.*

- ☐ Adoption of plastic cards
- ☐ Start of the Bretton Woods System
- ☐ Introduction of Bitcoin
- ☐ Nixon Shock

9. **What is a characteristic of fiat currency as mentioned in the text?** \* 1 point

*Mark only one oval.*

- ☐ Not backed by a physical commodity
- ☐ Backed by gold
- ☐ Fixed value
- ☐ Heavy and inconvenient to carry

10. **What did President Roosevelt's Executive Order 6102 require citizens to do?** \* 1 point

*Mark only one oval.*

- ☐ Exchange silver for gold
- ☐ Surrender their gold
- ☐ Accept fiat money voluntarily
- ☐ Return paper certificates

11. **What is one of the cons of fiat money?** \*

1 point

*Mark only one oval.*

- ☐ It is backed by physical commodities
- ☐ It cannot be manipulated
- ☐ It poses inflation risks
- ☐ It guarantees stability

12. **Who primarily benefits from the fiat system?** \*

1 point

*Mark only one oval.*

- ☐ The middle class
- ☐ The lower class
- ☐ Everyday citizens equally
- ☐ The government, wealthy individuals, the financial sector, and the central bank

13. **What does fractional reserve banking allow banks to do?** \*

1 point

*Mark only one oval.*

- ☐ Lend out a significant portion of their clients' deposits
- ☐ Keep all deposits as reserves
- ☐ Avoid lending money
- ☐ Only lend what they have in vaults

14. **What does "fiat" mean in the context of fiat money?** \*

1 point

*Mark only one oval.*

- ☐ Wealth
- ☐ Trust
- ☐ Commodity
- ☐ By decree

15. **Who acts as the lender of last resort in the fiat system?** \*

1 point

*Mark only one oval.*

- ☐ Commercial banks
- ☐ The central bank
- ☐ Wealthy individuals
- ☐ The government

16. **What is monetary inflation?** \*

1 point

*Mark only one oval.*

- ☐ Decrease in money supply
- ☐ Increase in money supply
- ☐ Decrease in demand for goods
- ☐ Increase in the value of money

17. **What is the main impact of inflation on individuals?** \*

1 point

*Mark only one oval.*

- ☐ Increase in purchasing power
- ☐ No impact on purchasing power
- ☐ Decrease in purchasing power
- ☐ Increase in savings

18. **What happened to the winning bids for candy bars when the money supply increased?** \* 1 point

*Mark only one oval.*

- ☐ Winning bids decreased
- ☐ Winning bids stayed the same
- ☐ There were no winning bids
- ☐ Winning bids increased

19. **Winning bids increased** \*

1 point

*Mark only one oval.*

- ☐ It promotes economic mobility
- ☐ It suppresses economic mobility
- ☐ It ensures fair distribution of wealth
- ☐ It has no significant impact

20. **What psychological impact does the fiat system have on individuals?**

\* 1 point

*Mark only one oval.*

- ☐ Promotes savings
- ☐ Encourages long-term planning
- ☐ Reduces the need for credit
- ☐ Instills a high time-preference

21. **What was one of the main goals of the Cypherpunks? \***

1 point

*Mark only one oval.*

- ☐ To increase government surveillance
- ☐ To establish centralized banks
- ☐ To protect individual liberties through cryptography
- ☐ To eliminate the use of encryption

22. **Who is the anonymous creator of Bitcoin? \***

1 point

*Mark only one oval.*

- ☐ Satoshi Nakamoto
- ☐ Vitalik Buterin
- ☐ Charles Hoskinson
- ☐ Gavin Andresen



23. **In what year was the Bitcoin whitepaper published?** \*

1 point

*Mark only one oval.*

☐ 2005

☐ 2008

☐ 2010

☐ 2012

24. **What was the title of the Bitcoin whitepaper?** \*

1 point

*Mark only one oval.*

☐ "Digital Gold: A New Era of Money"

☐ "Decentralized Finance for the Future"

☐ "Cryptocurrency: A Revolution in Finance"

☐ "Bitcoin: A Peer-to-Peer Electronic Cash System"

25. **When was the first Bitcoin block, known as the 'genesis block,' mined?**

\* 1 point

*Mark only one oval.*

☐ January 3, 2009

☐ December 31, 2008

☐ January 10, 2009

☐ February 1, 2009

26. **Which country is mentioned as having adopted Bitcoin as legal tender?**

\* 1 point

*Mark only one oval.*

- ☐ Malta
- ☐ El Salvador
- ☐ Japan
- ☐ Switzerland

27. **What does Bitcoin empower users to do? \***

1 point

*Mark only one oval.*

- ☐ Engage in direct peer-to-peer transactions
- ☐ Avoid using any form of digital currency
- ☐ Invest in traditional stocks
- ☐ Rely on banks and governments

28. **What is the smallest unit of Bitcoin called? \***

1 point

*Mark only one oval.*

- ☐ Satoshi
- ☐ Nanobit
- ☐ Microbitcoin
- ☐ Bitcent

29. **What is the role of a private key in a Bitcoin wallet?** \*

1 point

*Mark only one oval.*

- ☐ It verifies the authenticity of the Bitcoin network
- ☐ It stores bitcoins offline for security purposes
- ☐ It allows the user to sign transactions and control their bitcoins

30. **Explain the difference between self-custodial and custodial wallets in Bitcoin.** \* 1 point

*Mark only one oval.*

- ☐ Self-custodial wallets store bitcoins on a hardware device; Custodial wallets use online servers.
- ☐ Self-custodial wallets provide full control of private keys; Custodial wallets rely on third parties.
- ☐ Self-custodial wallets lets users to manage private keys; Custodial wallets manage keys on behalf of users.
- ☐ Self-custodial wallets are more expensive; Custodial wallets are free to use.

31. **What are the advantages of using a hardware wallet for storing Bitcoin?**

\* 1 point

*Mark only one oval.*

- ☐ High accessibility from any device
- ☐ Low transaction fees
- ☐ Integration with multiple exchanges
- ☐ Enhanced security due to offline storage

32. **What factors should you consider when choosing a Bitcoin wallet?** \* 1 point

*Mark only one oval.*

- ☐ Ease of use, security, and control over private keys
- ☐ Transaction speed and customer support
- ☐ Availability of fiat currency exchange
- ☐ Mobile app ratings and user testimonials

33. **Why is it important to secure your recovery phrase when setting up a Bitcoin wallet?** \* 1 point

*Mark only one oval.*

- ☐ To increase transaction limits
- ☐ To avoid transaction fees
- ☐ To enable multi-device access
- ☐ To recover access to funds if the wallet is lost

34. **What is the role of miners in the Bitcoin transaction process?** \* 1 point

*Mark only one oval.*

- ☐ Auditing transaction histories
- ☐ Adding new transactions to the blockchain
- ☐ Creating private keys for wallets
- ☐ Verifying user identities

35. **Explain the concept of an "on-chain" Bitcoin transaction.** \*

1 point

*Mark only one oval.*

- ☐ Transactions processed through Lightning Network
- ☐ Transactions verified without network nodes
- ☐ Transactions managed by a centralized exchange
- ☐ Transactions recorded directly on the main Bitcoin blockchain

36. **What does the phrase "Don't Trust, Verify" mean in the context of Bitcoin?** \*

1 point

*Mark only one oval.*

- ☐ Relying on financial institutions for Bitcoin transactions
- ☐ Independently verifying information and transactions
- ☐ Sharing private keys for increased security
- ☐ Using centralized exchanges for fund management

37. **How many satoshis make up one bitcoin?** \*

1 point

*Mark only one oval.*

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

38. **What is the Lightning Network primarily used for?** \*

1 point

*Mark only one oval.*

- ☐ Decentralized mining
- ☐ Storing bitcoins securely
- ☐ Fast and cheap transactions
- ☐ Creating new bitcoins

39. **Why is using open-source Lightning wallets recommended?** \*

1 point

*Mark only one oval.*

- ☐ They offer more features
- ☐ They have lower transaction fees
- ☐ They are open for community review
- ☐ They have faster transaction times

40. **What is the Bitcoin ledger?** \*

1 point

*Mark only one oval.*

- ☐ A centralized database
- ☐ A public record with personal details
- ☐ A physical storage device
- ☐ A pseudonymous record of transactions

41. **What role does public key cryptography play in Bitcoin transactions?**

\* 1 point

*Mark only one oval.*

- ☐ Creates digital signatures
- ☐ Generates Bitcoin addresses
- ☐ Secures Bitcoin wallets
- ☐ Encrypts Bitcoin messages

42. **What does UTXO stand for in Bitcoin transactions?** \*

1 point

*Mark only one oval.*

- ☐ Unidentified Transaction Outcome
- ☐ Unverified Transaction Operation
- ☐ Unspent Transaction Output
- ☐ Unregulated Transaction Oversight

43. **What role do Bitcoin nodes play in the network?** \*

1 point

*Mark only one oval.*

- ☐ Generating new bitcoins
- ☐ Storing private keys
- ☐ Validating transactions
- ☐ Securing the blockchain

44. **Which cryptographic function is primarily used in Bitcoin for hashing?**

\* 1 point

*Mark only one oval.*

- ☐ SHA-128
- ☐ SHA-256
- ☐ MD5
- ☐ AES

45. **What does "hyperbitcoinization" refer to? \***

1 point

*Mark only one oval.*

- ☐ The decline of Bitcoin usage
- ☐ Bitcoin becoming the dominant global monetary system
- ☐ Bitcoin being used only in the USA
- ☐ Bitcoin being controlled by governments

46. **How does Bitcoin's fixed supply benefit its users? \***

1 point

*Mark only one oval.*

- ☐ Protects purchasing power by preventing inflation
- ☐ Allows for unlimited spending
- ☐ Enables government control over money
- ☐ Increases the supply based on demand



47. **What is one of the main philosophies of Bitcoin?** \*

1 point

*Mark only one oval.*

- ☐ Empowerment and financial independence
- ☐ Centralized control and regulation
- ☐ Variable monetary policy
- ☐ Unlimited supply and inflation

48. **What is the primary focus of Bitcoin's philosophy?** \*

1 point

*Mark only one oval.*

- ☐ Centralized monetary policy
- ☐ Government control over transactions
- ☐ Unlimited supply and inflation management
- ☐ Financial independence and collective empowerment

49. **How can Bitcoin contribute to a self-sovereign future?** \*

1 point

*Mark only one oval.*

- ☐ By providing full control over digital identity and assets
- ☐ By reducing financial inclusion
- ☐ By centralizing financial power
- ☐ By increasing government control

50. **Why is Bitcoin considered a reliable store of value?** \*

1 point

*Mark only one oval.*

- ☐ Its value is controlled by governments
- ☐ It has an unlimited supply
- ☐ Its value decreases over time
- ☐ Its digital scarcity ensures long-term value retention

51. **What is one major advantage of running your own Bitcoin node?** \*

1 point

*Mark only one oval.*

- ☐ Gaining centralized control
- ☐ Increasing personal wealth automatically
- ☐ Supporting the network and keeping it secure
- ☐ Reducing the supply of Bitcoin

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