THE CORE-BITCOIN DIPLOMA 2024 CHAPTER 7 QUIZZES (COHORT 6)

* Indicates required question

1. **What is the main benefit of P2P platforms?** *

   Mark only one oval.

   ( ) Ensures a fixed price for Bitcoin

   ( ) Requires identity verification

   ( ) Eliminates the need for intermediaries

2. **What is a centralized exchange?** *

   Mark only one oval.

   ( ) A platform where only miners can trade Bitcoin

   ( ) A marketplace where Bitcoin is traded through a company

   ( ) A type of Bitcoin wallet

   ( ) A government-owned Bitcoin exchange

3. **What is a major risk of using a centralized exchange?** *

   Mark only one oval.

   ( ) The price of Bitcoin is fixed

   ( ) The exchange holds the user's Bitcoin

   ( ) The user has full control over their private keys

4. **What does "Not your keys, not your coins" mean?** *

Mark only one oval.

⬭ If you don't control the private keys, you don't truly own your Bitcoin

⬭ Only miners can generate Bitcoin keys

⬭ Bitcoin is owned by the government

⬭ Exchanges always safeguard your Bitcoin

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

Mark only one oval.

⬭ A wallet managed by an exchange

⬭ A wallet where the user controls their private keys

⬭ A wallet that doesn't require a password

⬭ A wallet that is only used for mining

6. **Who controls a custodial wallet?** *

Mark only one oval.

⬭ A third-party provider

⬭ The user

⬭ The government

⬭ The Bitcoin network

7. **What is a hardware wallet?** *

Mark only one oval.

⬭ A Bitcoin exchange platform

⬭ A type of online wallet

⬭ A physical device that stores Bitcoin offline

⬭ A Bitcoin mining tool

8. **Why is a hardware wallet secure?** *

Mark only one oval.

⬭ It stores private keys offline

⬭ It requires a constant internet connection

⬭ It is controlled by a centralized exchange

⬭ It does not require a password

9. **Why should users protect their seed phrase?** *

Mark only one oval.

⬭ It is required to access and recover their Bitcoin wallet

⬭ It increases the speed of Bitcoin transactions

⬭ It is needed for Bitcoin mining

⬭ It prevents exchanges from closing

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

Mark only one oval.

◯ A deposit into a centralized bank

◯ A transfer of physical Bitcoin

◯ An increase in Bitcoin supply

◯ A transfer of ownership on the blockchain

11. **What must happen before a Bitcoin transaction is confirmed on the** *
network?

Mark only one oval.

◯ A miner must add it to the blockchain

◯ The transaction must be signed with a government ID

◯ The sender and receiver must manually approve it

◯ The transaction must be reversed by the network

12. **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

13. **Which of the following is NOT required to send an Bitcoin Onchain?** *

Mark only one oval.

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

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

Mark only one oval.

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

15. **What happens if a Bitcoin transaction is invalid?** *

Mark only one oval.

- ◯ It gets processed at a higher fee
- ◯ Depend on government regulation for security
- ◯ The sender loses their bitcoins
- ◯ It is immediately rejected by the nodes

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