Professional Blockchain Course

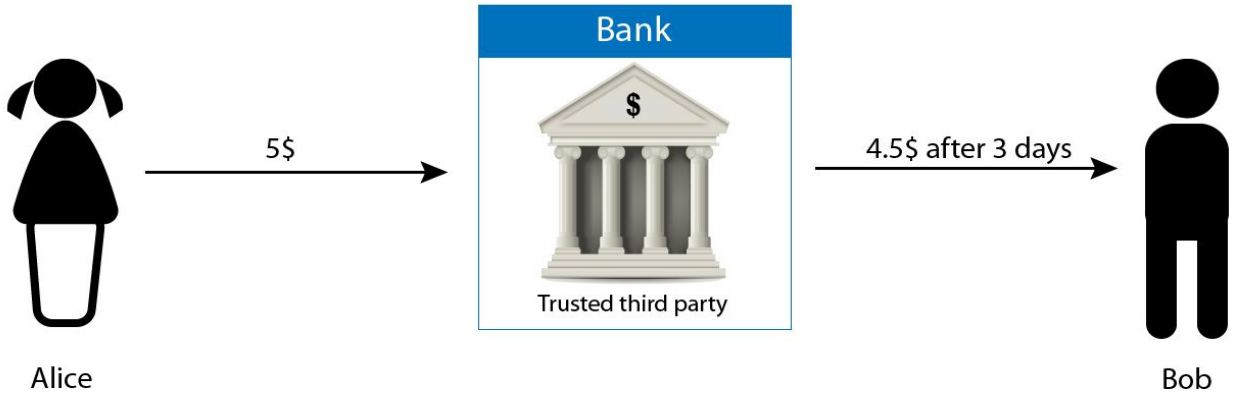
How Blockchain transaction works?

Present Solution with Example

- Alice in the US wants to send $5 to Bob in Australia
- She will make use of net banking or any other payment services like PayPal.
- The 3rd party services will take 3-4 days for cross-border transaction and charges a cut let’s say $0.5.
- Moreover, Alice cannot see the whole process of her transaction execution.

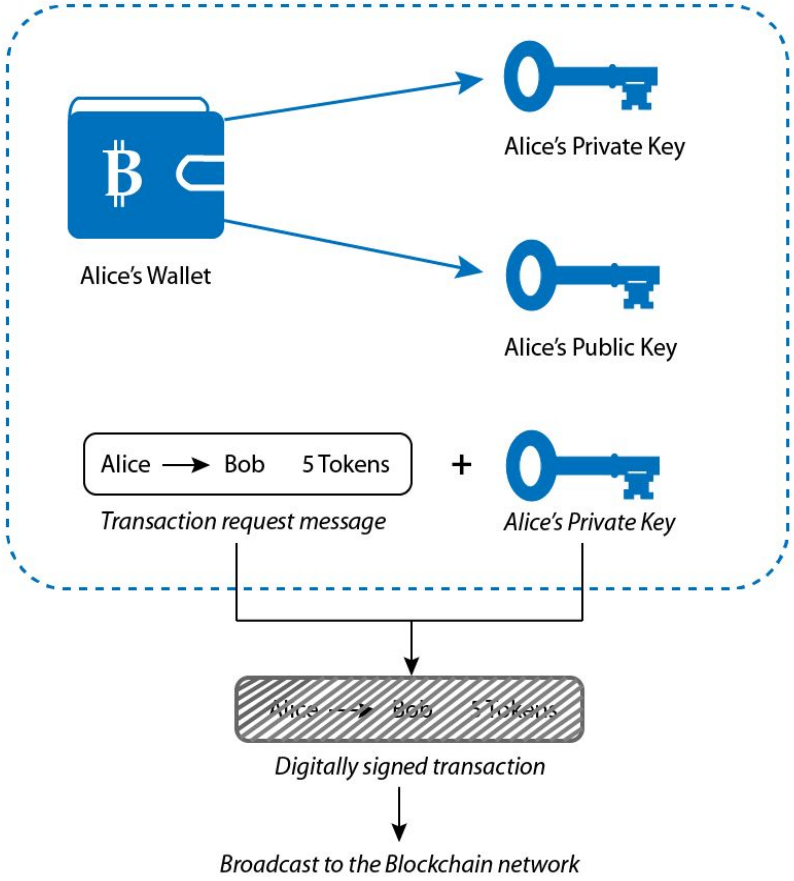
Problems with Present Solution

- The transaction costs are high with 3rd parties involved.
- The time taken for the process is also slow.
- Imagine a scenario where Alice needs to transfer a large sum of money for some medical operations. This will take time and charge massive cost over the transaction.
- Can we do the same things removing the present problems?

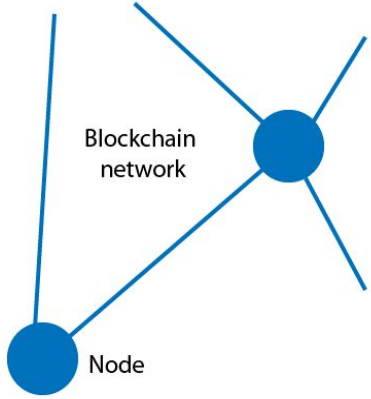


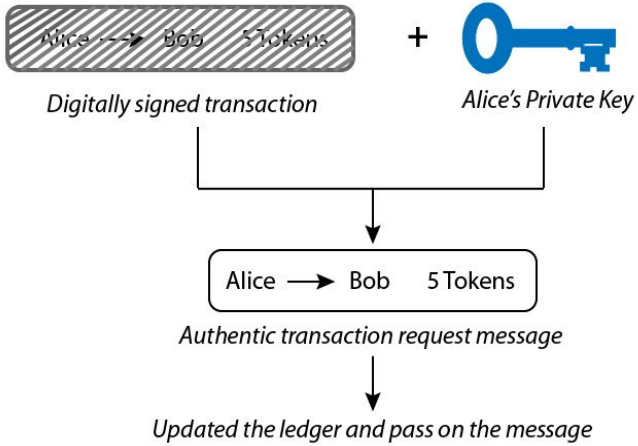
Blockchain for the save

- Blockchain uses a ledger, a digital file/database that keeps track of all transactions.
- Ledger file is not stored over a central server. It is distributed globally via a network of private computers that are both storing data and executing computations.
- If Alice wants to send money to Bob, she broadcasts a message to the network that says the amount of Cryptocurrency in her account should go down by 5 Tokens/5 $, and the amount of Bob's account should go up by the same quantity.
- Each node connected in the network will receive the message and apply the requested transaction to their copy of the ledger, thus updating the account balances.



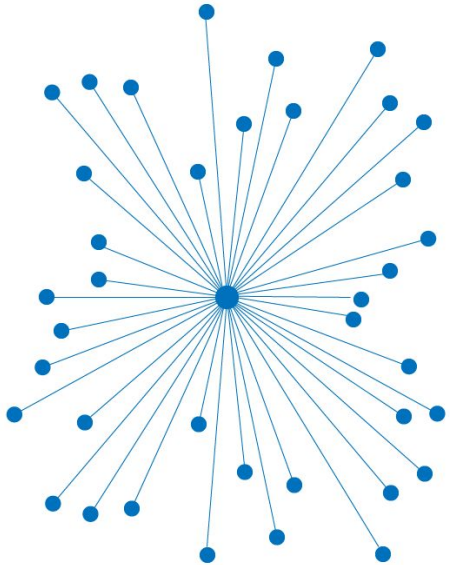
Private area:
The information which can be seen on the blockchain are the digital signature, transaction and Alice's public key.



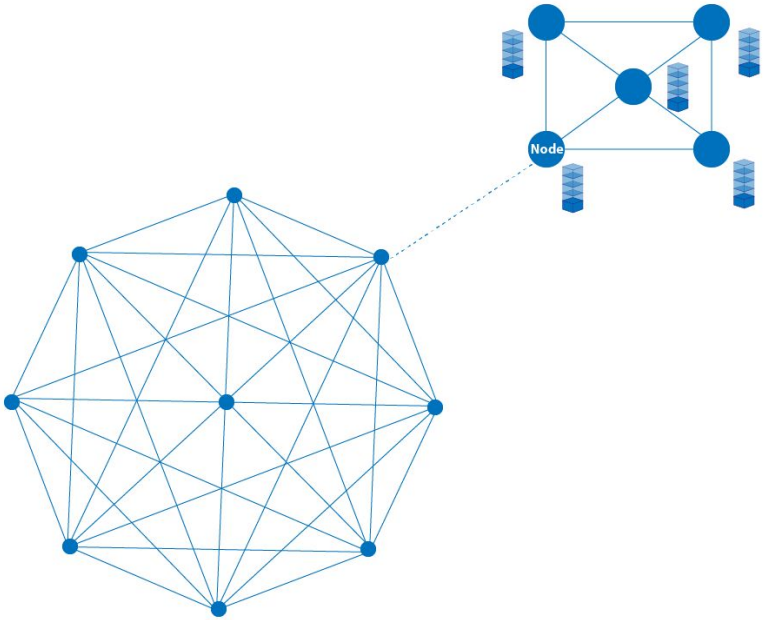


Transaction Distribution

All transactions are distributed in blocks and all nodes hold all transactions



Centralized



Distributed Ledger
Shared Ledger

THANK YOU

For more information contact
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