1. The objects are created and used based on the information that they retain and the actions that the objects can perform, which are defined by the class. These factors determine what are the roles of the objects in the program. The core principle of abstraction is that we should have a clear idea of what do we need of an object and create a class that defines such an object that fits to that role.
2. Within the TransferTransaction class, a DepositTransaction object and a WithdrawTransaction object are created and conduct a series of actions based on its own needs. Those two objects have their own identity and information and they only share their public information to the external access. From an external perspective, we would not know that it uses other objects internally, because the use of those objects are the information it retains in encapsulation and hidden from the external.