Blockchain – A Hands-on Introduction

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03 TRANSACTION, NODES, BLOCKS AND CONSENSUS

04 SMART CONTRACTS

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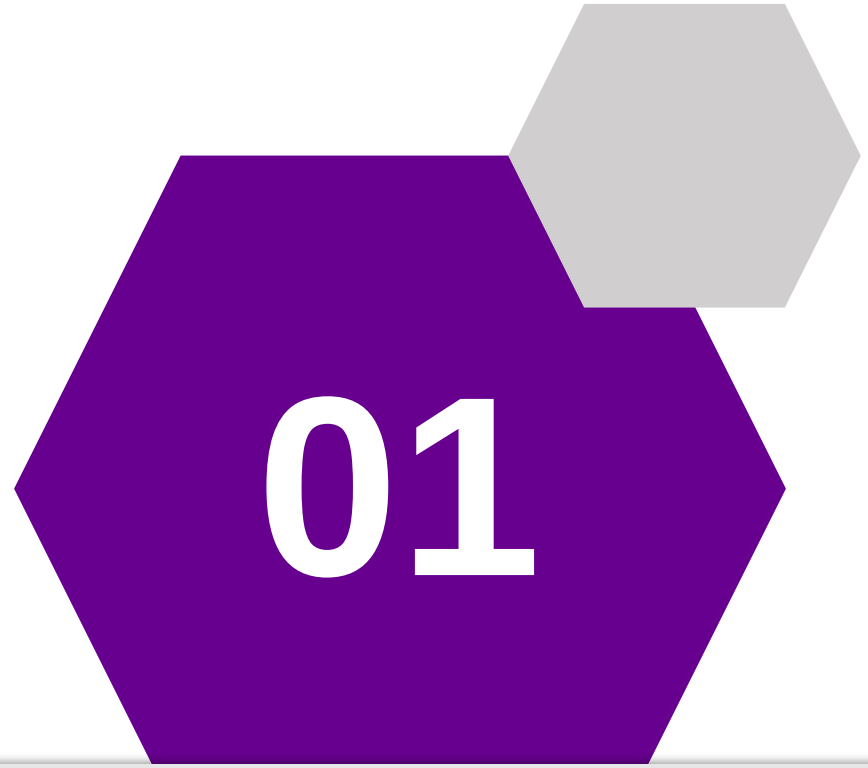


INTRODUCTION

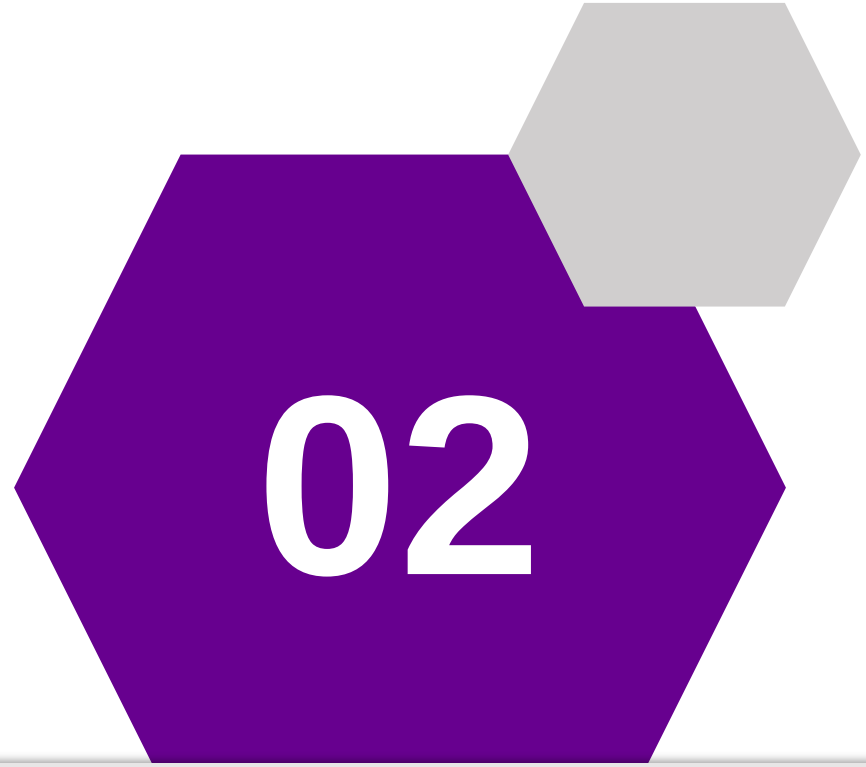
Blockchain

- Peer-to-peer decentralized payment system

  2009 : Bitcoin (whitepaper here)

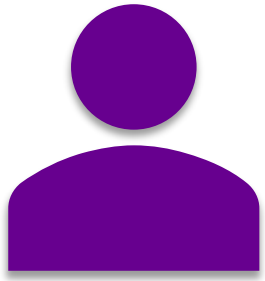
  2014 : Ethereum (whitepaper here)

- Use cases have then evolved!
  - Voting systems
  - On-chain DNS (e.g. ENS)
  - File transfer services (e.g. IPFS)
  - Traceability
  - Games

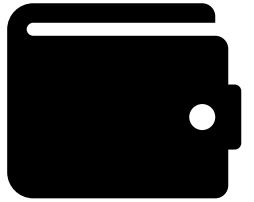


END-USERS

An end-user only needs:



- An internet connection



- A wallet application (optional), such as Metamask

- A cryptographic keypair, for digital signatures

Demo time !

- Presentation of a software wallet : Metamask

METAMASK

More wallets…

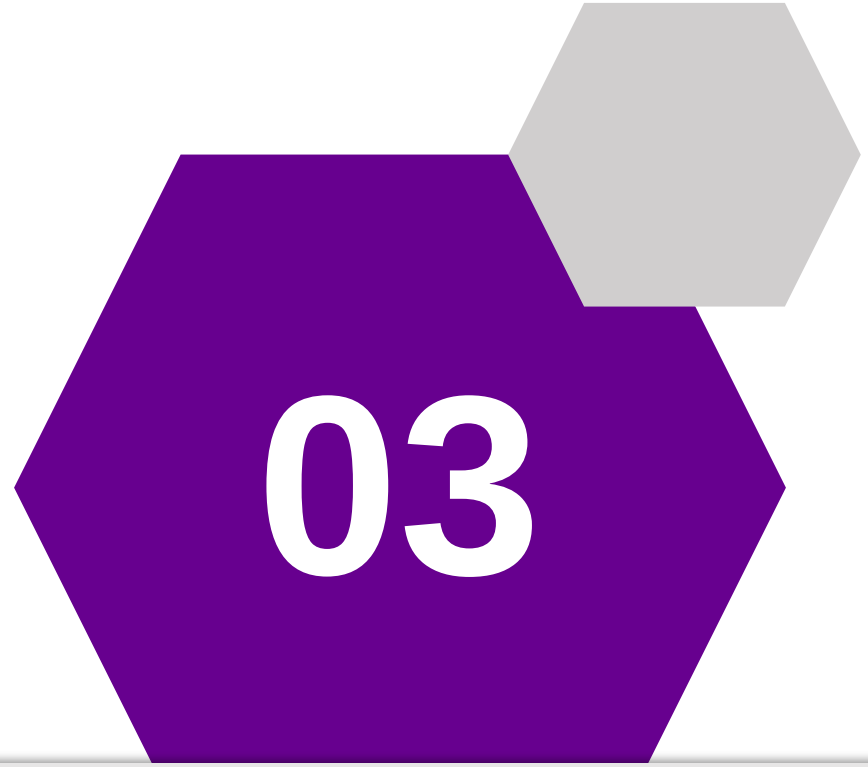
- There are a lot of software wallets…

phantom

MyEtherWallet

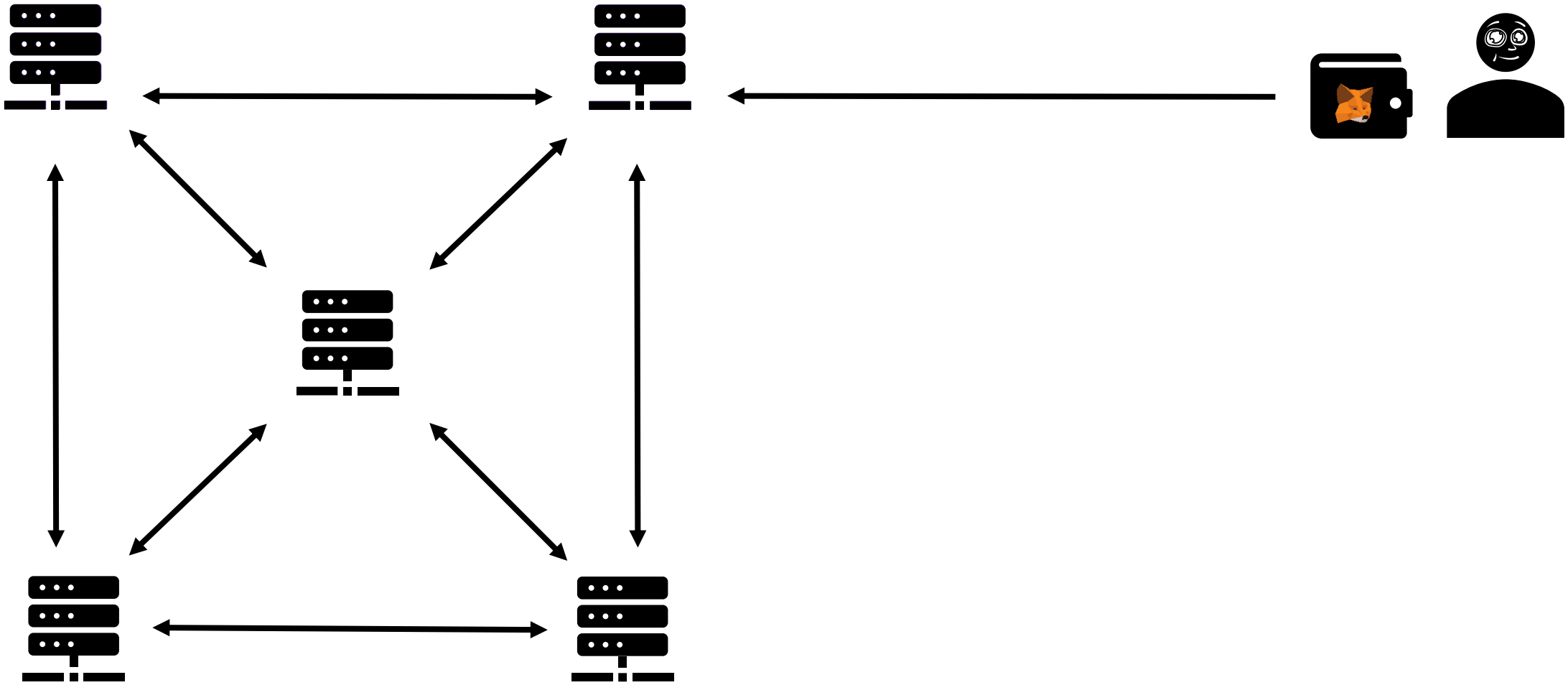
- But hardware wallet should be used !

LEDGER

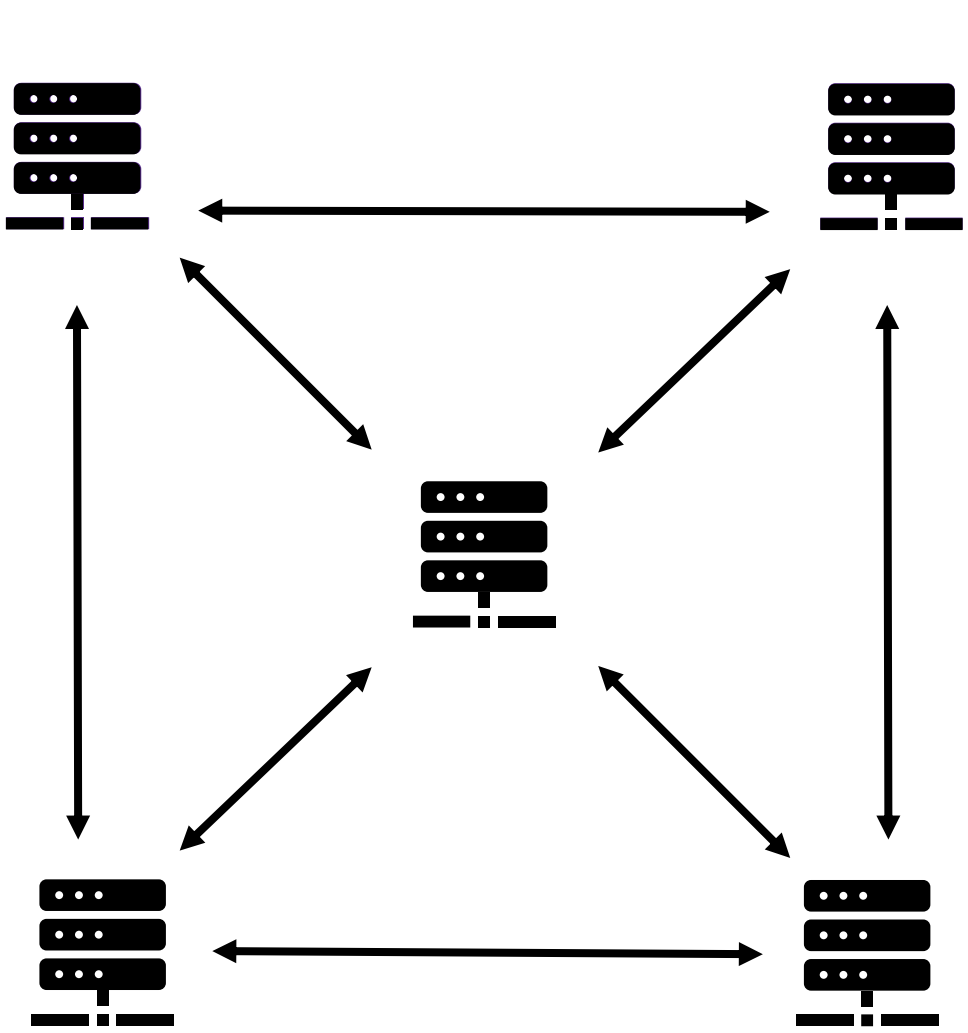


TRANSACTIONS, NODES, BLOCKS AND CONSENSUS

NODES



NODES

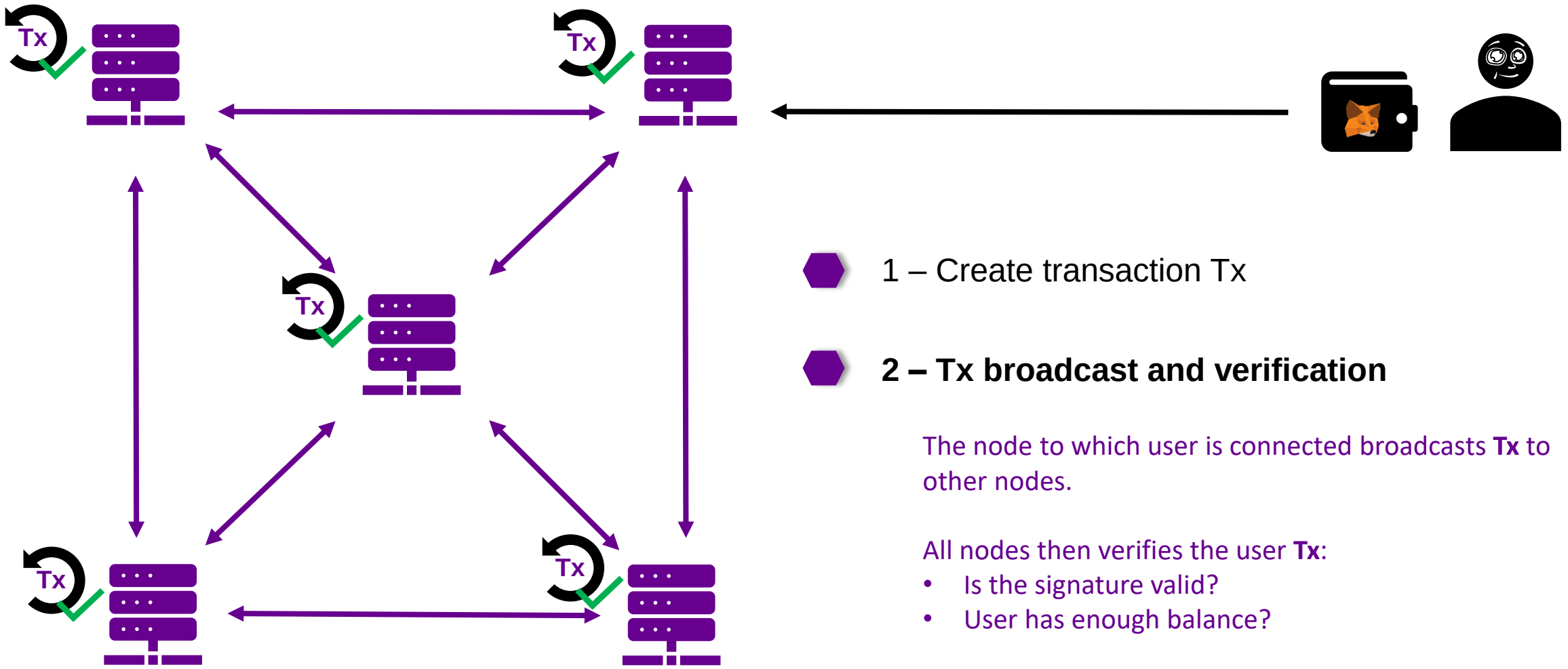


- **1 – Create transaction and send it to node**

```
TxContent = {
        from: bob,
        to: alice,
        value: 10,
        data: none,
        nonce: 1
}
TxSignature = sign(TxContent, bobPrivKey)
```

Tx = TxContent + TxSignature

NODES



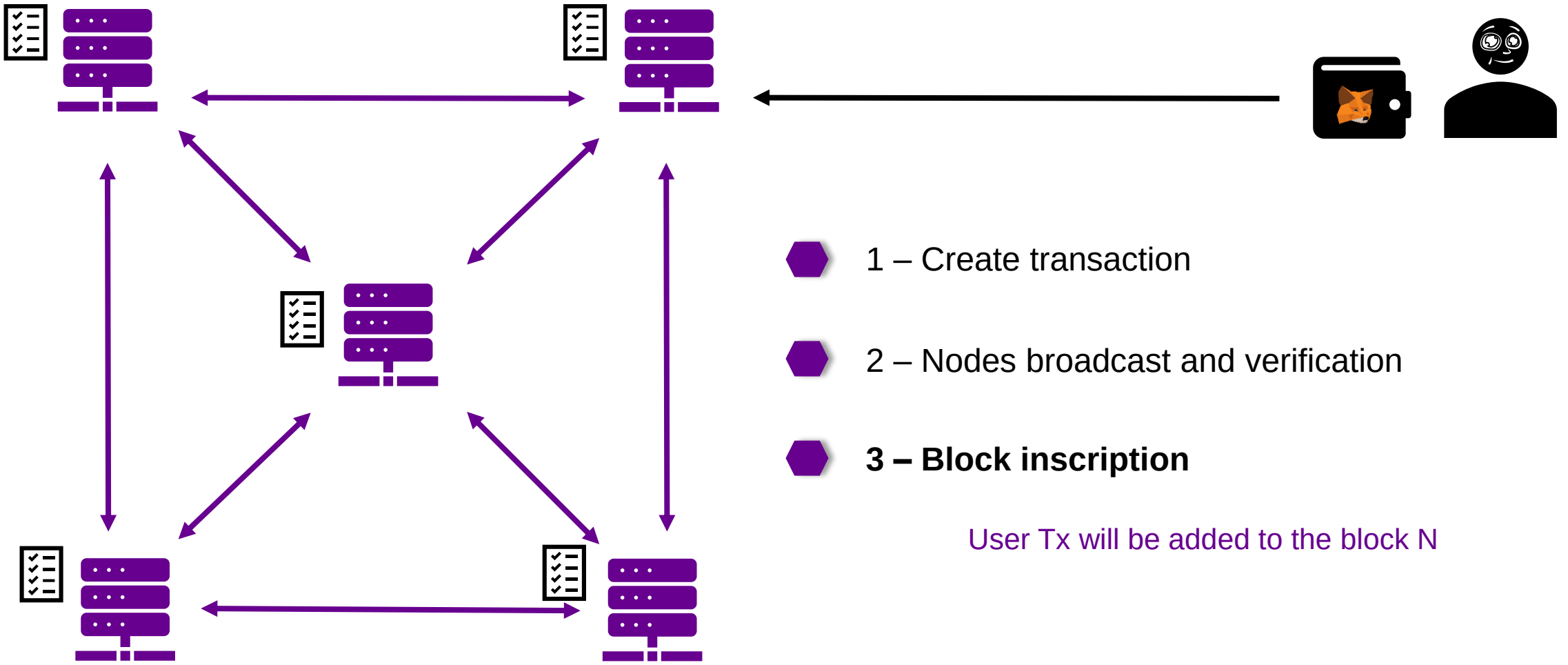
- 1 – Create transaction Tx
- **2 – Tx broadcast and verification**

The node to which user is connected broadcasts **Tx** to other nodes.

All nodes then verifies the user **Tx**:

- Is the signature valid?
- User has enough balance?

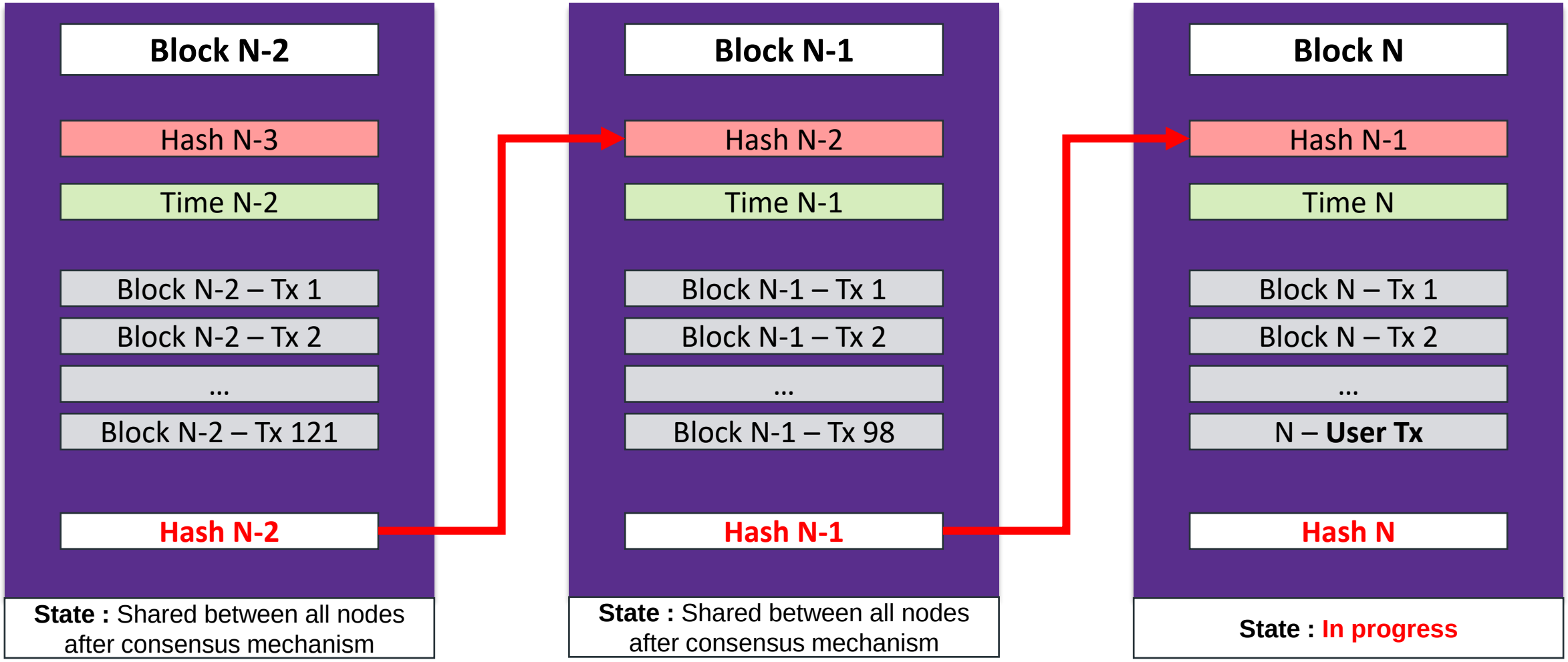
BLOCKS



- 1 – Create transaction
- 2 – Nodes broadcast and verification
- **3 – Block inscription**

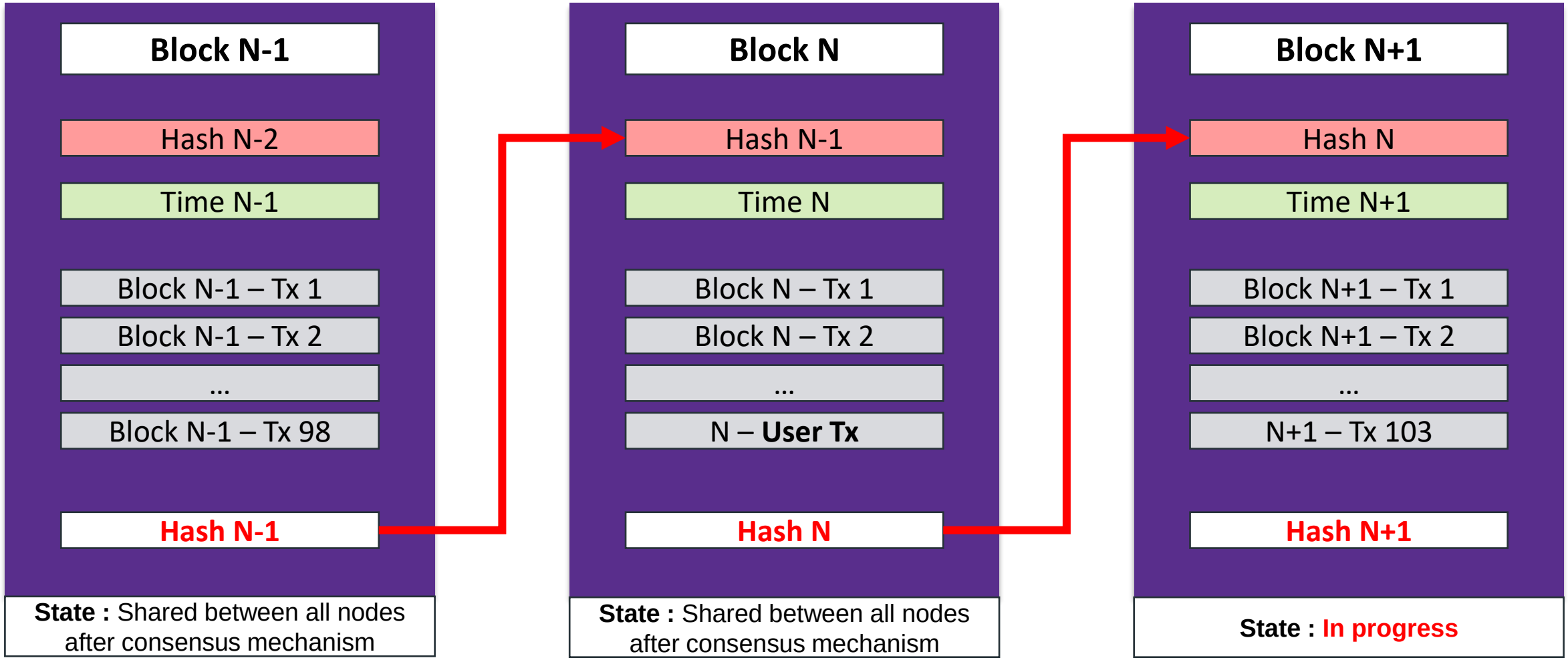
User Tx will be added to the block N

BLOCKS

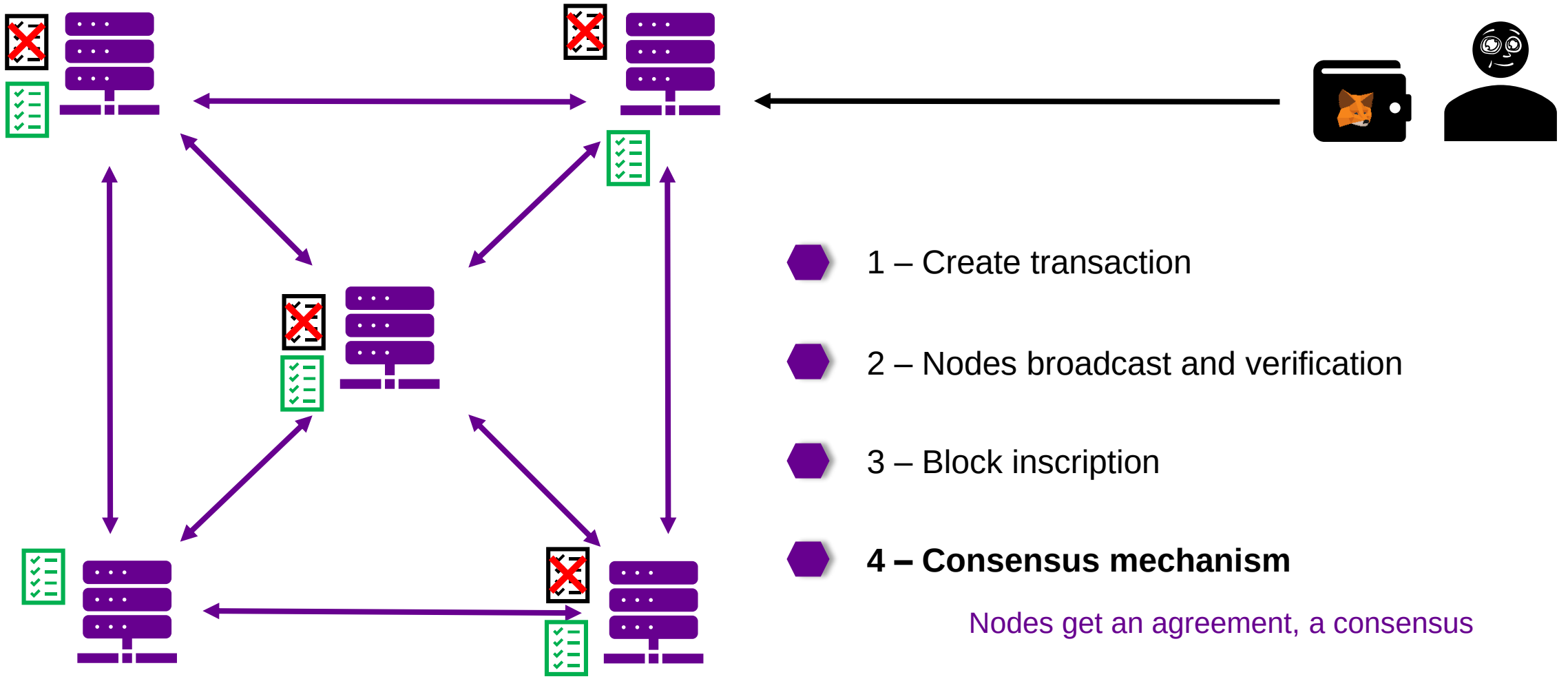

Block N-2
Hash N-3
Time N-2
Block N-2 – Tx 1
Block N-2 – Tx 2
...
Block N-2 – Tx 121
Hash N-2
State : Shared between all nodes after consensus mechanism
Block N-1
Hash N-2
Time N-1
Block N-1 – Tx 1
Block N-1 – Tx 2
...
Block N-1 – Tx 98
Hash N-1
State : Shared between all nodes after consensus mechanism
Block N
Hash N-1
Time N
Block N – Tx 1
Block N – Tx 2
...
N – User Tx
Hash N
State : In progress

BLOCKS

- Block N is consolidated and shared between all nodes thanks to **consensus mechanism**



CONSENSUS



- 1 – Create transaction
- 2 – Nodes broadcast and verification
- 3 – Block inscription
- **4 – Consensus mechanism**

  Nodes get an agreement, a consensus

  Tx is confirmed!

Consensus mechanism :

- Used to achieve a distributed agreement between all nodes

- There are two main mechanisms :

  - **Proof-of-Work**
    - Block hash must respect defined rules (like **X** first bits must be value 0)
    - First node that finds the right hash will broadcast it
    - A reward transaction is added in the block for the miner (the node)
    - Other nodes verify the hash of the block, and accept it if it respects the rules

  - **Proof-of-Stake**
    - Nodes lock a big amount of cryptocurrency to prove they have an interest in the network
    - The more you lock, the more you will verify
    - Rewards and penalty mechanisms

Ethereum time !

- Demonstration of a transaction
- Details of a block
- Consensus informations

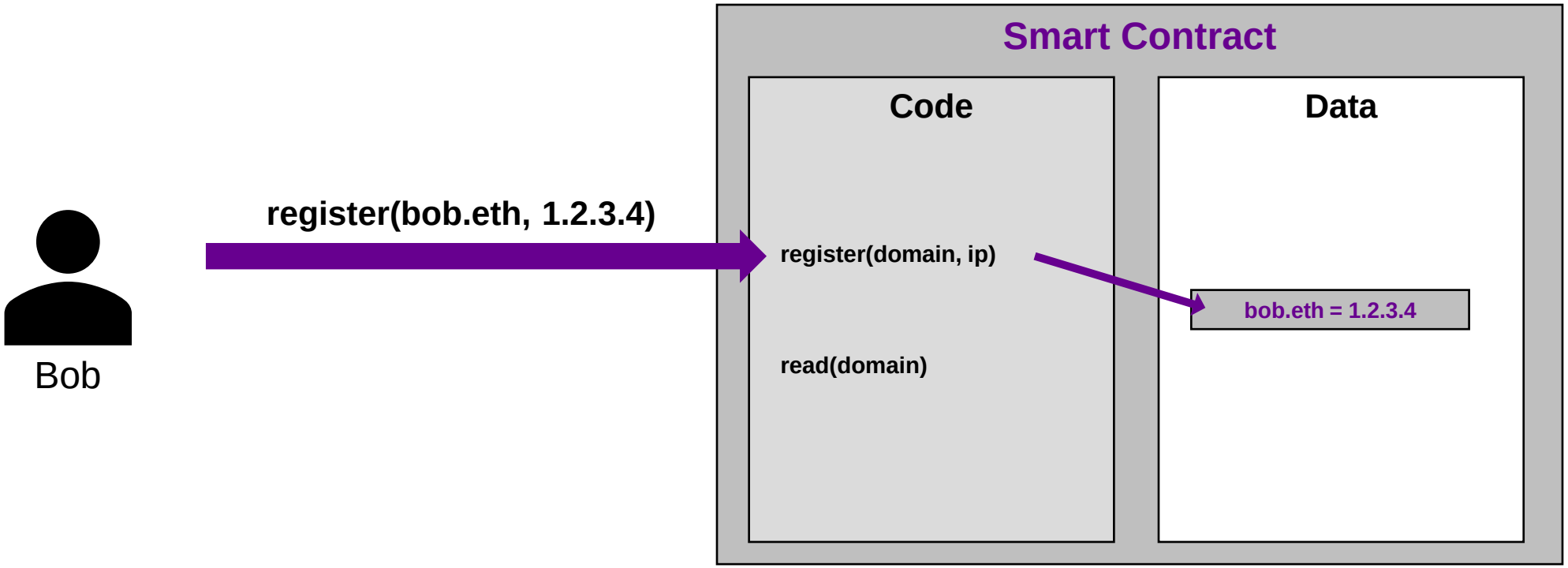
SMART CONTRACTS

Smart Contracts

- A contract is a program, on-chain
- Defines its own rules to use the blockchain storage
- A lot of use-cases !
  - Decentralized Finance - DeFi
  - Games
  - Voting
  - And more…

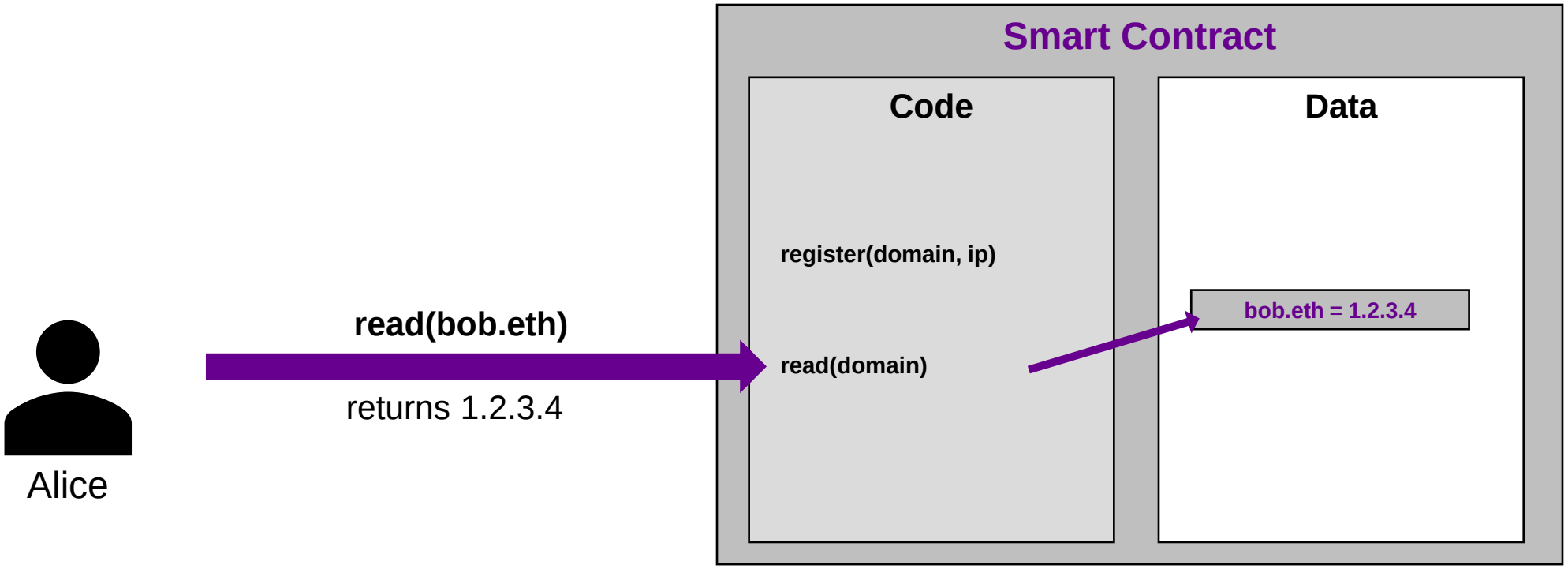
DNS use-case

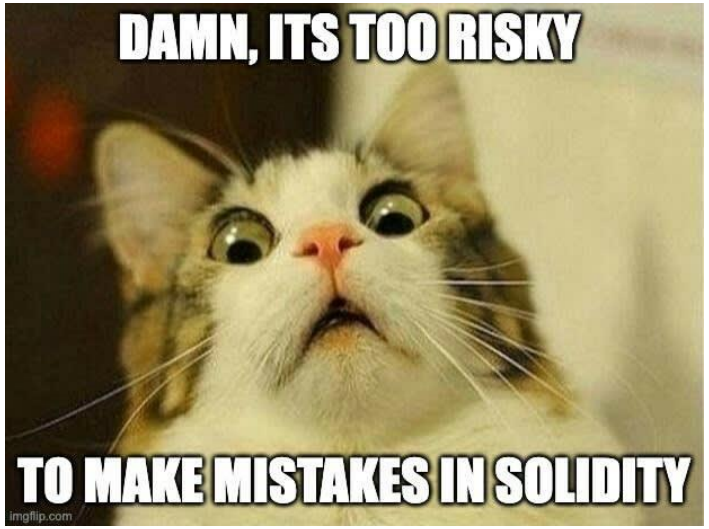
- Register a domain name



DNS use-case

- Read a domain name





Ethereum time !

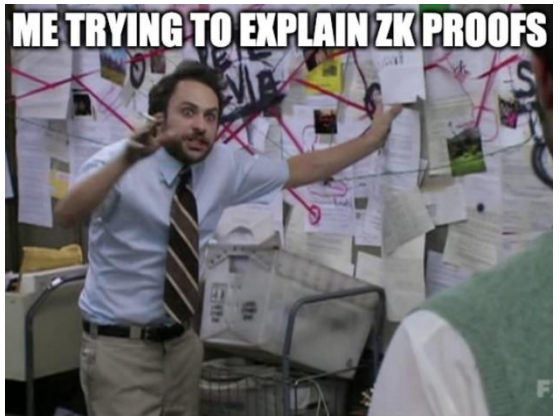
- Introduction to Solidity
- DNS Example: Ethereum Name Service
- NFT Example: Bored Ape Yacht Club
- Game Example: Axie Infinity

More details…

- Build a 100% decentralized website with IPFS and ENS
- Web3 hacks explained
- Solidity programming course: CryptoZombies
- Ethereum Layer 2


05
ZERO KNOWLEDGE

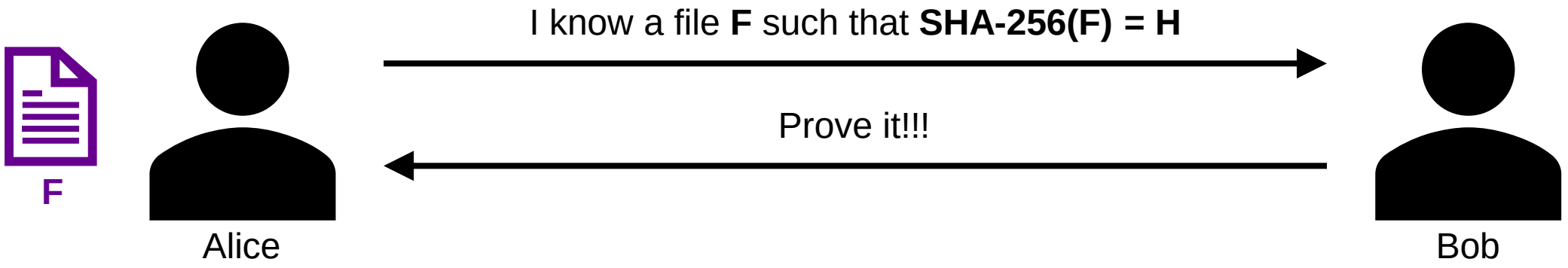
Zero Knowledge Proofs

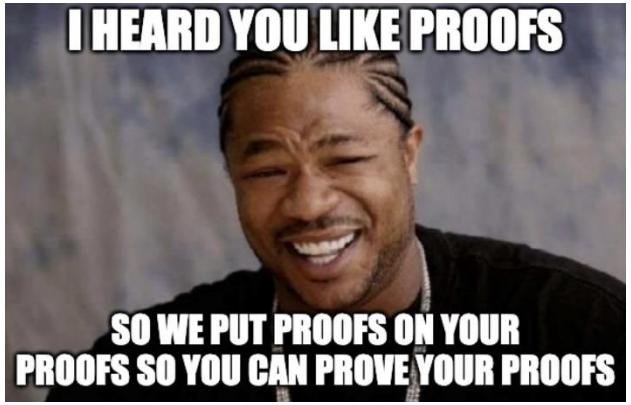


- Prove a statement, without telling how it is true
- Prover can’t create fake proofs
- Verifier can’t retrieve additional informations than the fact that it is true

Zero Knowledge Proofs

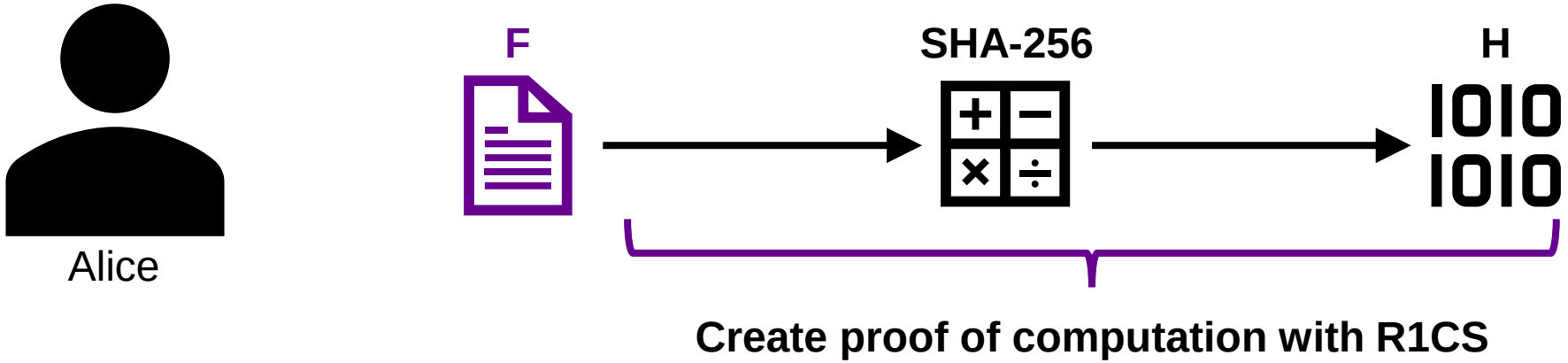
- **How does it work** - Hash function example





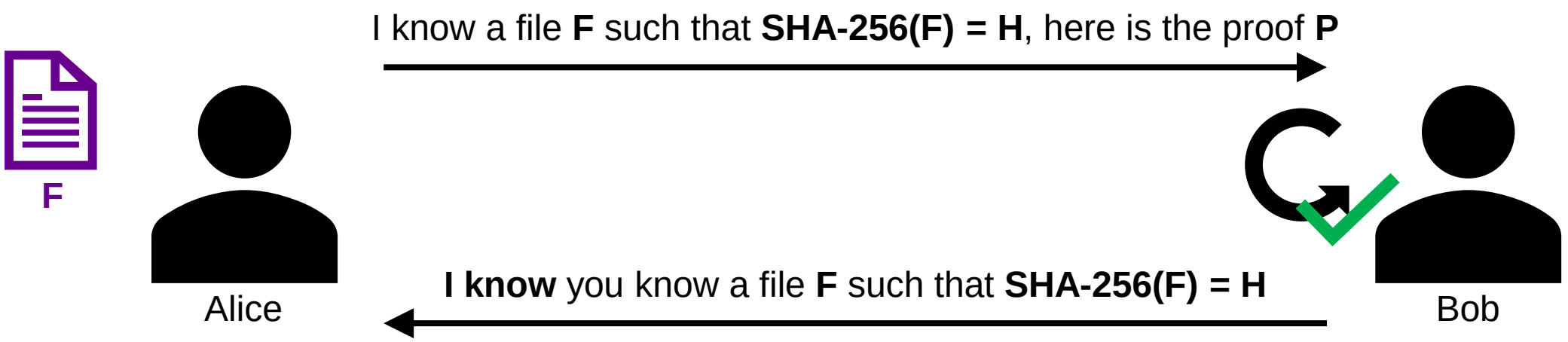
Zero Knowledge Proofs

- **How does it work** - Hash function example
  - Proof generation



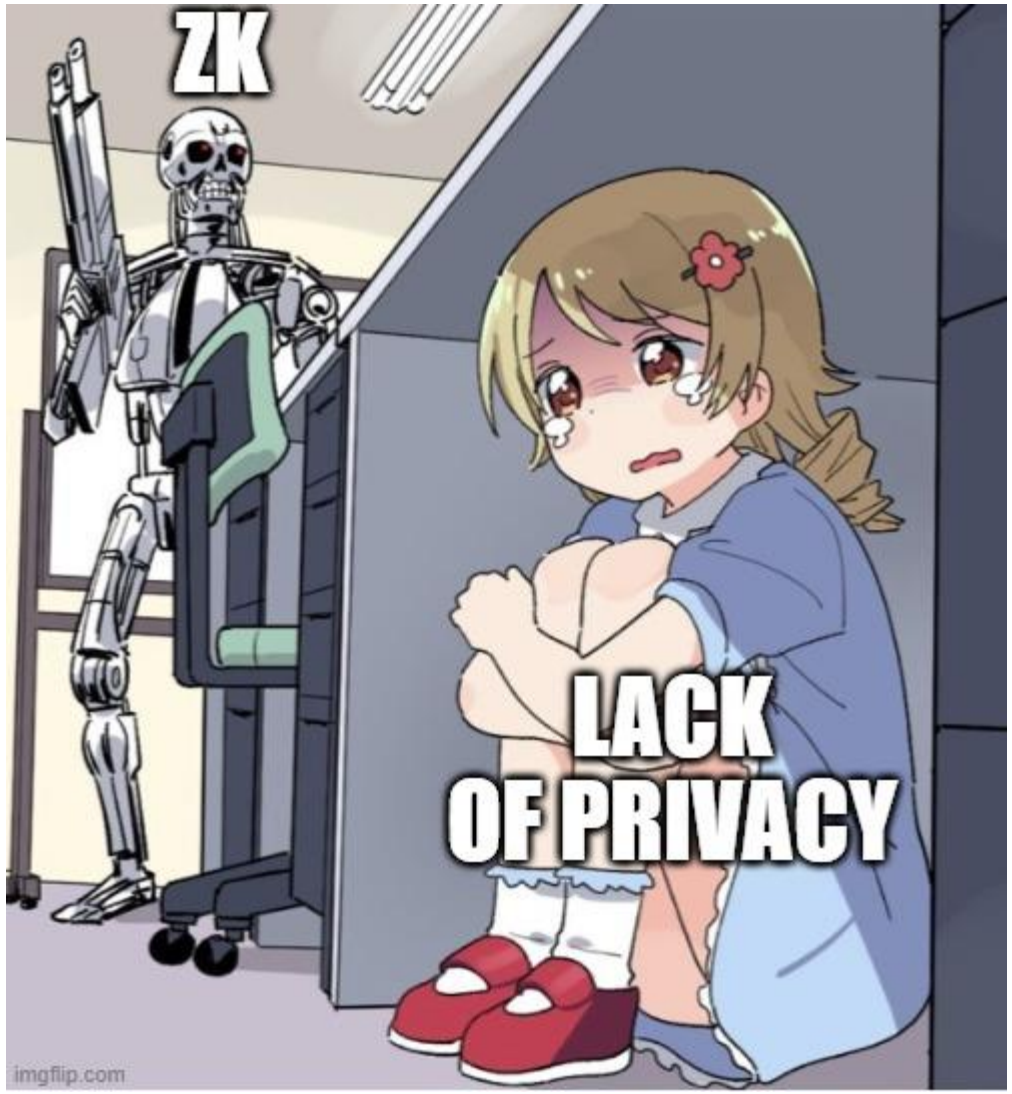
Zero Knowledge Proofs

- **How does it work** - Hash function example



Zero Knowledge Proofs

- Use-cases
  - Private transactions for blockchains and banks
  - Proof of Identity
  - Proof of Passwords
  - And more…



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