

MAINS WRITE-UP SERIES 2019

Learnings Yearnings



The background features a complex network of glowing blue lines and nodes, resembling a digital or blockchain network. The nodes are small circles, and the lines connect them in a web-like pattern. The overall color scheme is dark blue and black, with the network elements glowing in a lighter blue.

BLOCKCHAIN & CRYPTOCURRENCY

KEY POINTS

What is Blockchain?

- ⇒ Blockchain is *a growing list of records*, called blocks, which are linked using cryptography.
- ⇒ Blockchains which are readable by the public are widely used by cryptocurrencies.
- ⇒ Blockchain was invented by *Satoshi Nakamoto in 2008* to serve as the public transaction ledger of the cryptocurrency bitcoin
- ⇒ Blockchain is the technology that runs Bitcoin. Blockchain is the concept and Bitcoin is the implementation
- ⇒ Every single person on the network has a copy of the ledger. There is no single centralized original copy. Ledger here means the copy of all the transactions that ever happened.

KEY POINTS

How it works?

- ❖ Blockchain is a distributed database that stores all the Bitcoin transactions that have ever happened in the history of Bitcoin.
- ❖ This ensures that *no one person can make changes to the ledger* because everyone else will immediately flag it as corrupt.
- ❖ *Everything stored on the Blockchain is encrypted*. This way, everyone is able to see all the transactions but at the same time no one will know which of those accounts belongs to you.
- ❖ Proof of Work is a concept invented in Bitcoin Blockchain where in the miners (special users of Bitcoin) will validate transactions by solving a complex mathematical puzzle called Proof of Work.
- ❖ Technically, there is a hash target value designated to every block before time.

KEY POINTS

Bitcoin Mining

- ❑ The most interesting part of Bitcoin is Bitcoin Mining. It is the concept in which certain users do a piece of work and are rewarded *12.5 BTC per block*.
- ❑ Each block takes on average about 10 minutes to mine. Thus a successful miner earns 150,000 USD.

Conclusion

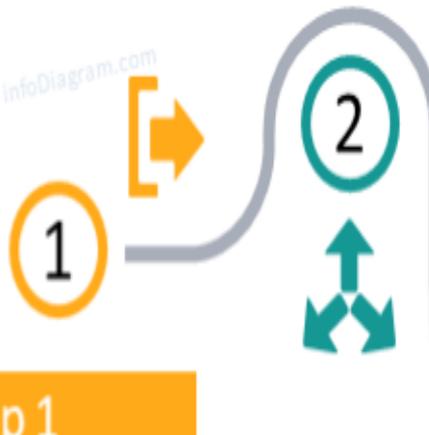
- ❖ Blockchain is a public distributed database holding encrypted ledgers. This means, a block is the 'current' part of a blockchain which records the recent transactions. Once it is verified, it becomes a permanent part of the growing blockchain.
- ❖ Bitcoin is just one of the applications of Blockchain. It is a method to maintain that register among ourselves instead of depending on a third party like bank to do it for us.
- ❖ The *Coffee Board of India has launched the pilot of the country's first blockchain-based marketplace app* for trading in Indian coffee.

Blockchain Technology - How It Works Roadmap

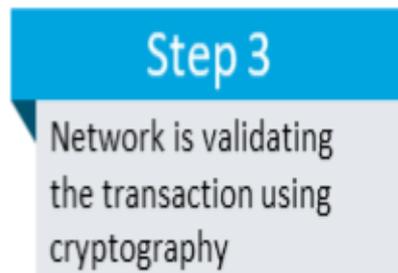
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