



Blockchain Vs Cryptocurrency

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A blockchain is a decentralized ledger of all transactions across a peer-to-peer network, whereas cryptocurrency is a medium of exchange, created and stored electronically in the blockchain.

Basis of comparison	Blockchain	Cryptocurrency
Nature	A technology that records transactions	The tools used in the virtual exchanges
Use	Record transactions	Make payments, investments, storage of wealth
Value	Have no monetary value	Have monetary value
Mobility	Cannot be transferred	Can be transferred

Cryptocurrency - Bitcoin

- Bitcoin is a globally known cryptocurrency and a digital payment system. It was the first decentralized digital currency whose ledger is maintained by a blockchain, openly.
- Bitcoin is an implementation of Blockchain distributed ledger technology and the transactions in Bitcoin blockchain take place directly between users, without an intermediary.
- Bitcoin is an permissionless distributed network available for anyone to access with no central authority retaining control over it.
- There are no physical Bitcoins, just balances stored on a public database that everyone has open access to, which is checked by a vast amount of processing power along with all Bitcoin transactions.
- Bitcoins are not distributed or funded as assets by any banks or governments.

Bitcoin Vs Government-backed Currencies

Decentralized System: The control of Bitcoin is not under one central authority. The network works in a decentralized way to mine bitcoin by processing transactions which make up a part of the network.

Simple Setup Process: Banks usually make you go through a lot of processes to open an account. However, the configuration process of cryptocurrency is straightforward and free.

Anonymous and Transparent Usage: Users can have many Bitcoin addresses without a link to any personal identifying information. However, it records every transaction in a large ledger format called Blockchain.

Meagre Transaction Fee: Bitcoin charges a minimal fee for transfers.

Fast Network Process: The payment process is quick in Bitcoin network.

Non-Refundable: Once sent, Bitcoins cannot be refunded.

Bitcoin As Example

Who puts the money in Bitcoin?

- No one
- The Bitcoin value is created owing to its enormous demand and the limited supply.
 - Let's say if there exist only 100 golden color toy unicorns in this world and everybody wants it, then this 1 unicorn can be worth millions of dollars.

Bitcoin Mining

- The method of generating new bitcoins through solving a cryptographic puzzle is Bitcoin mining. A miner has to collect and verify transactions which are not yet included in blockchain. It can be any number of transactions, just that the total size should be within 1 megabyte.
- To create a candidate block which can be appended to the blockchain, miners solve a complex computational problem, called as proof of work. To achieve a 64-digit hexadecimal hash of the block, that is less than or equal to the target hash by changing the nonce of the block.
- If a block gets published on the blockchain, the miner receives a block reward currently equal to 6.25 BTC.
- The mining difficulty is the difficulty of computing POW hash in Bitcoin, it is adjusted according to the number of miners participating in the network to maintain supply.

THANK YOU!

Any Questions?

Visit

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