

Cryptocurrency Essentials

Cryptocurrency · Answer Key · 12 Questions

1. Which individual or group is credited with the creation of Bitcoin in 2009?

- A) Vitalik Buterin
- B) Satoshi Nakamoto**
- C) Charlie Lee
- D) Hal Finney

2. What is the primary function of a blockchain in the context of cryptocurrency?

- A) A private bank database
- B) A public distributed ledger**
- C) A hardware wallet manufacturer
- D) A central government regulator

3. What process is used to validate transactions and secure the Bitcoin network?

- A) Proof of Work**
- B) Proof of Authority
- C) Proof of Capacity
- D) Proof of History

4. Which cryptocurrency is widely known for introducing smart contracts?

- A) Litecoin
- B) Ripple
- C) Ethereum**
- D) Dogecoin

5. What is the term for the digital file used to store public and private keys for cryptocurrency?

- A) Vault
- B) Digital wallet**
- C) Ledger cache
- D) Security partition

6. What event reduces the mining reward for Bitcoin by half roughly every four years?

- A) The Reset
- B) The Halving**
- C) The Splitting
- D) The Forking

7. Which term describes a cryptocurrency that is pegged to the value of a stable asset like the US dollar?

- A) Altcoin
- B) Stablecoin**
- C) Tokenized asset
- D) Equity coin

8. What is the total maximum supply of Bitcoin that will ever exist?

- A) 10 million
- B) 21 million**
- C) 50 million
- D) 100 million

9. What is the name of the first transaction of a new block in the Bitcoin blockchain?

- A) Genesis block
- B) Coinbase transaction**
- C) Mempool entry
- D) Hash transaction

10. Which mechanism is used by Ethereum to achieve consensus as of 'The Merge' in 2022?

- A) Proof of Stake**
- B) Proof of Work
- C) Proof of Importance
- D) Proof of Burn

11. What happens to a cryptocurrency transaction once it has been confirmed and added to the blockchain?

- A) It can be reversed
- B) It can be deleted
- C) It becomes immutable**
- D) It can be edited

12. Which of these is a digital asset primarily used for decentralized finance (DeFi) rather than as a currency?

- A) Bitcoin
- B) Litecoin
- C) Monero
- D) ERC-20 tokens**