Cryptocurrency Basics for Middle School

Financial Literacy & Digital Technology · Answer Key · 12 Questions

1. What is cryptocurrency?

A) A physical coin minted from precious metals
B) A digital or virtual currency secured by cryptography
C) A gift card issued by commercial retail stores
D) A type of paper money printed by central banks

2. What was the first decentralized cryptocurrency launched in 2009?

A) Ethereum
B) Dogecoin
C) Bitcoin
D) Litecoin

3. Who is credited with writing the 2008 whitepaper that introduced Bitcoin?

A) Alan Turing
B) Satoshi Nakamoto
C) Ada Lovelace
D) Tim Berners-Lee

4. What is the distributed digital ledger used to record cryptocurrency transactions called?

A) Database
B) Blockchain
C) Spreadsheet
D) Cloud server

5. How do decentralized cryptocurrencies differ from traditional money issued by central banks?

A) They operate on peer-to-peer networks without a central authority
B) They are physically printed on cotton paper
C) They can only be used during business hours
D) They are directly backed by physical gold stored in reserves

6. What term describes government-issued money, such as the US Dollar or Australian Dollar?

A) Commodity currency
B) Fiat currency
C) Cryptocurrency
D) Virtual token

7. What classic digital payment challenge does blockchain technology solve without needing a bank?

A) Data compression problem
B) Double-spending problem
C) Hardware wear-and-tear problem
D) Internet speed limit problem

8. What secret cryptographic key must a wallet owner keep safe to authorize outgoing transactions?

A) Public key
B) Private key
C) IP address
D) MAC address

9. What is used as a public address for receiving cryptocurrency funds?

A) A public key or address
B) A social security number
C) A home postal address
D) A credit card PIN

10. What is the process where computers validate transactions and earn new coins on Proof-of-Work networks called?

A) Streaming
B) Mining
C) Phishing
D) Browsing

11. What is the maximum limit on the total number of Bitcoins that will ever be created?

A) 10 million
B) 21 million
C) 100 million
D) Unlimited

12. What event occurs approximately every four years to cut the Bitcoin block reward for miners in half?

A) Halving
B) Splitting
C) Quartering
D) Forking