

Unit 25 — Introduction to Cryptocurrency



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altcoin

any cryptocurrency other than Bitcoin

"The majority of early altcoins were just forks of Bitcoin with minor changes to the proof-of-work algorithm."

blockchain

a decentralised digital ledger of transactions maintained by consensus

"The Bitcoin blockchain is maintained by a network of specialized computers designed for mining."

cipher

a coded message or secret way of writing

"The boy had a difficult time decoding the cipher in which his father's diary was written."

consensus process

a group of peers responsible for maintaining a distributed ledger

"A blockchain's consensus process is a vital part of its success because it must be fast, reliable, and verifiable by everyone using it."

cryptocurrency

a digital asset using secure computer algorithms to secure its transactions, create additional units, and verify transfer

"Bitcoin was the first decentralized cryptocurrency to reach public attention."

dapps (decentralized applications)

software designed to run on a blockchain without any central owner, server, or controller

"One can split dapps into three major types: financial transactions, traditional commerce, and "other", including everything from games to governance."

double spend problem

a single financial transaction potentially happening in two places at once

"The double spend problem is difficult to solve without a blockchain or trusted third party like a bank."

fiat

any currency established by a government without inherent value or scarcity such as the US dollar or EU euro

"The value of fiat currency is tied to governmental authority, convenience, and trust in market forces such as supply and demand."

fintech

innovation that aims to compete with traditional delivery of financial services

"This rise of fintech has had a positive impact for society, including increased competition, a reduction in prices, and wider access to financial services."

fungible

interchangeable and replaceable

"Monero is a fungible cryptocurrency, meaning that every unit can be substituted by another unit without fear of a possibly tainted past."

lambo (Lamborghini)

a sports car closely associated with cryptocurrency millionaire memes

"Some early adopters of cryptocurrency are in love with blockchain technology, but others just want to be seen on Youtube driving a lambo."

mining

being rewarded with cryptocurrency for providing routine bookkeeping and verification services

"Cryptocurrency mining is not really a reliable way to make substantial money for most people."

money laundering

the illegal process of making criminal income look legitimate

"Successful criminals need to be experts at money laundering and often make deals with "cash only" businesses or crooked banks to conceal the true source of their income."

mooning

the term when a crypto coin's market activity and price go way up in a short amount of time

"ZoomCoin has been mooning for the past 24 hours, but it's likely just a "pump and dump scheme" and will fall back to earth when reality hits."

paper wallet

a printed version of a cryptocurrency's private key

"The woman did not trust technology so she printed out her paper wallet with 25 Bitcoin on it and put it in her safe."

private key

a long random string of text used to create your digital signature

"If someone knows your private key, they can fake your signature and steal your cryptocurrency."

pump and dump

a coordinated effort to quickly raise the price of a coin and then sell it

"A pump and dump is a coordinated scheme to make money from a failing or stagnant coin."

satoshi

a common measurement of the worth of altcoins, measuring one hundred millionth of a Bitcoin.

"The satoshi value of altcoins may vary, but one Bitcoin is always worth 100,000,000 satoshis."

shitcoin

a slang term for a pointless or worthless cryptocurrency with no future

"I laughed when my friend traded \$100 worth of Ether for a shitcoin that crashed literally 10 minutes later."

stable coin

a cryptocurrency whose sole purpose is to be pegged to a fiat pair like the USD, thus providing a safe place in times of volatility

"There is some debate over whether stablecoins are really backed by fiat and aren't just used to artificially pump other crypto prices."

the dark web

the portion of the web that has been intentionally hidden and is inaccessible through standard web browsers

"The dark web first became known as the home of the Silk Road marketplace which sold guns and drugs via mail and took payments in bitcoin."