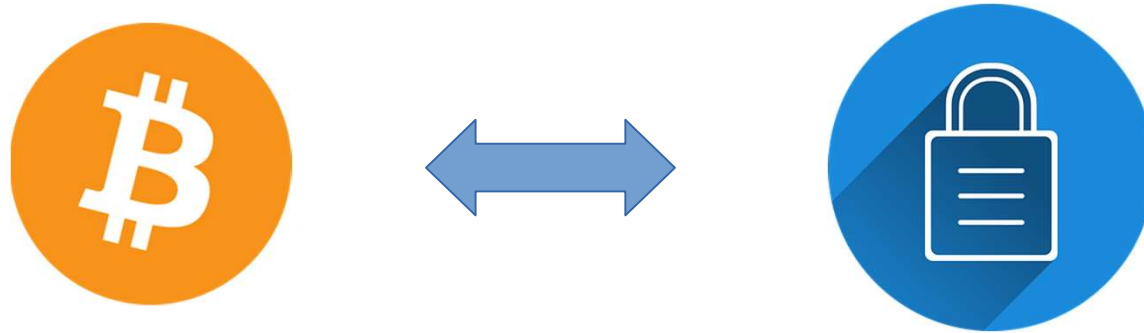


Bitcoin: features, security, scams

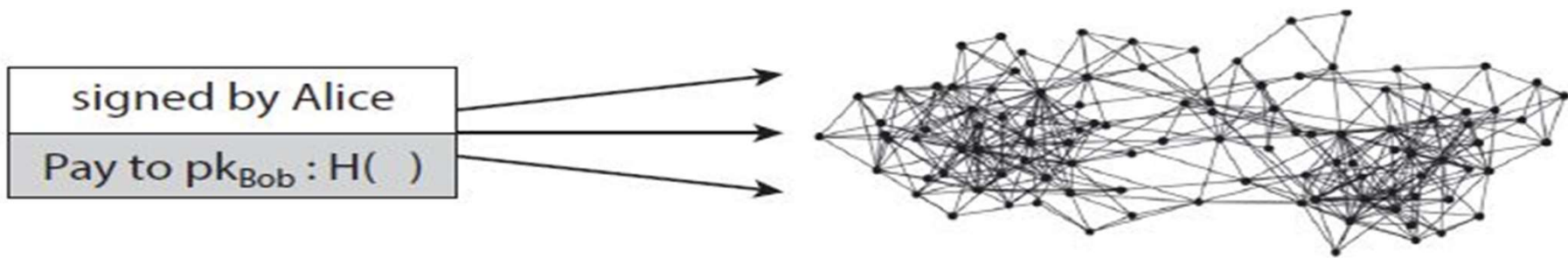


Daniel Folkinshteyn, PhD
Rowan University

Brief history

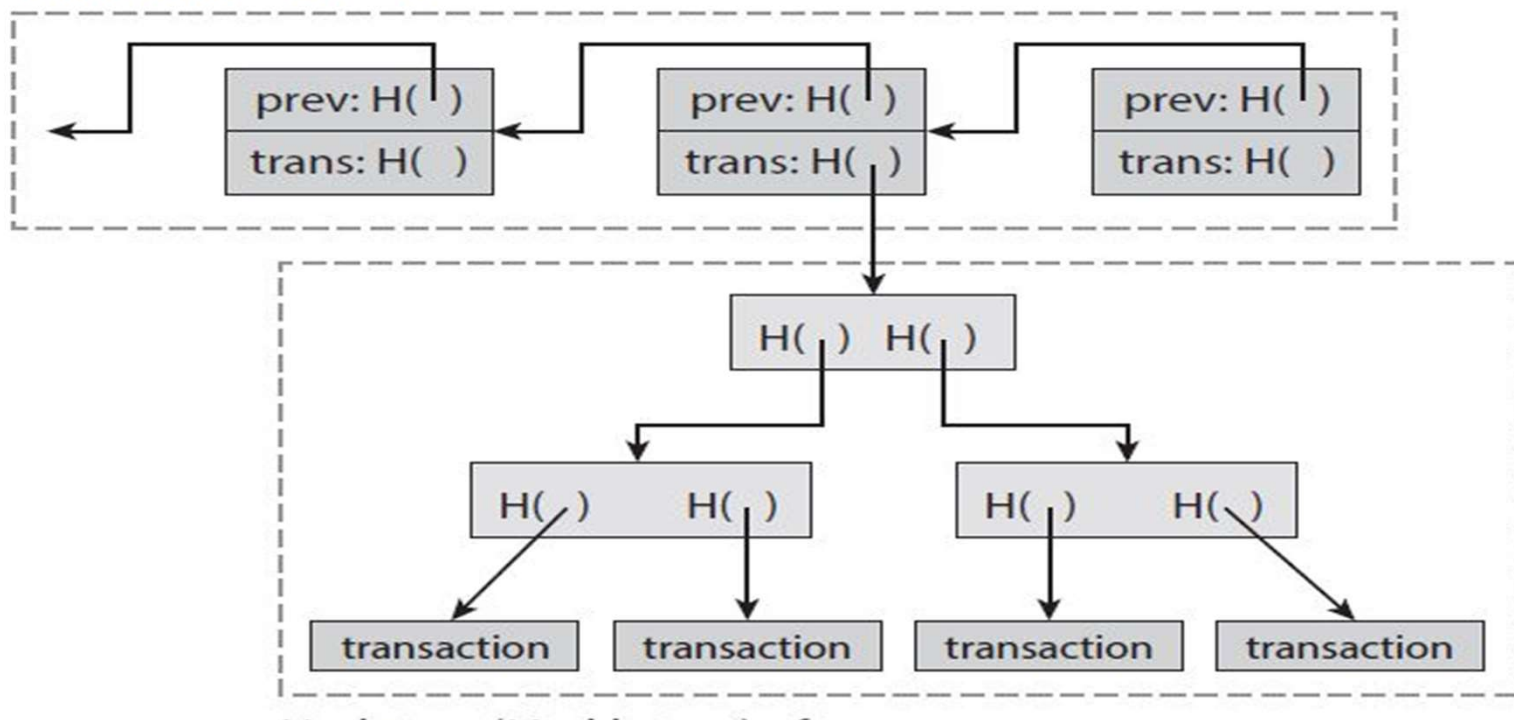
- Creation of Bitcoin (Nakamoto, 2009)
- Decentralized currency (no central authority)
- Fixed money creation algorithm
- Eliminate intermediaries

How Bitcoin works - tx

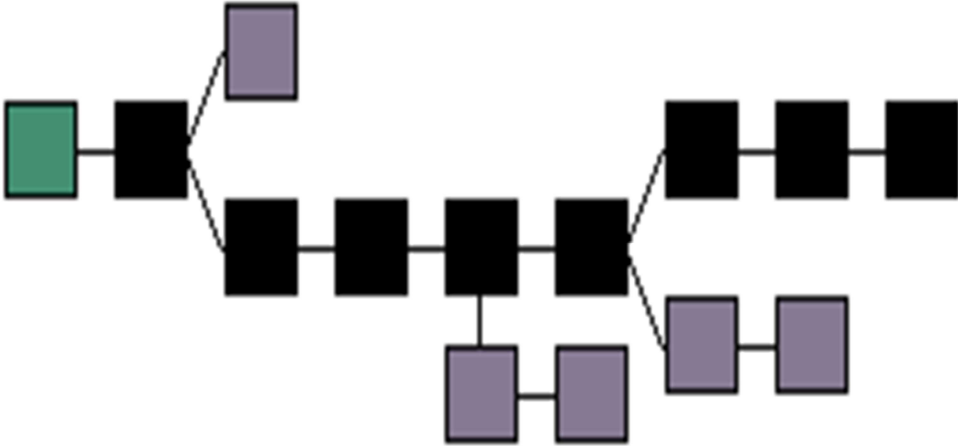


How bitcoin works - blockchain

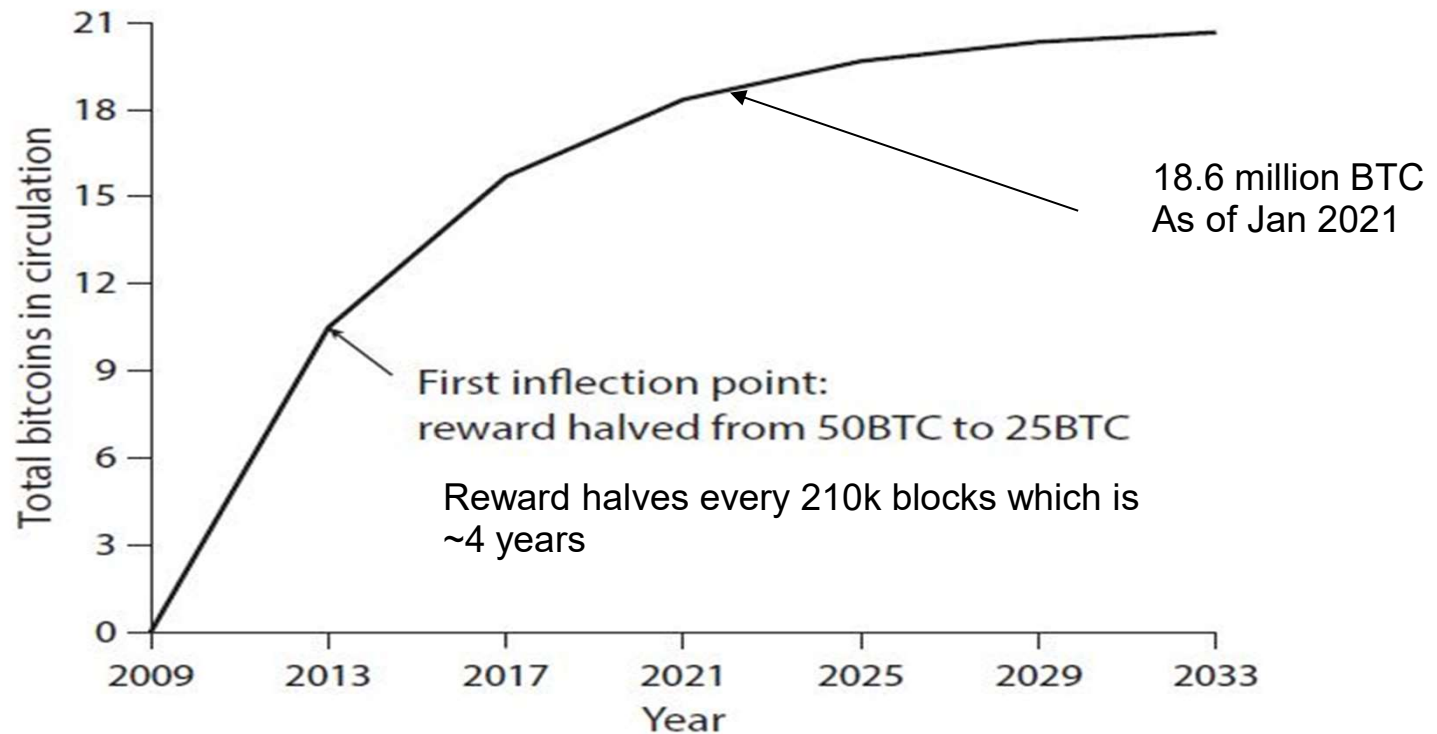
Hash chain of blocks



Proof of work and immutability



Bitcoins are scarce by design



Bitcoin features

- Massively redundant
- Very secure, immutable
- Open, public, borderless, neutral
- Very inefficient
- Quick settlement
 - Compare to: venmo, paypal, cashapp, cc

Uses

Send value anywhere

Fast transactions

No censorship

No dilution via inflation

Final settlement

Scarcity + utility = value



Tradeoffs

Merchant – Customer

Finality – Error correction

Control – Security

Security concerns

Theft

Fraud

Accidental loss

Theft

Physical attacks (<https://github.com/jlopp/physical-bitcoin-attacks>)

Hacks (binance, bitcoinica, bitstamp, allinvain)

Counterparty risk (e.g. mtgox, quadriga)

Fraud

Doubler scams

Ransomware

HYIP/Ponzi (bitconnect, bs&t)

ICO scams (loopx, bitconnect)



Elon Musk
@PantheonBooks

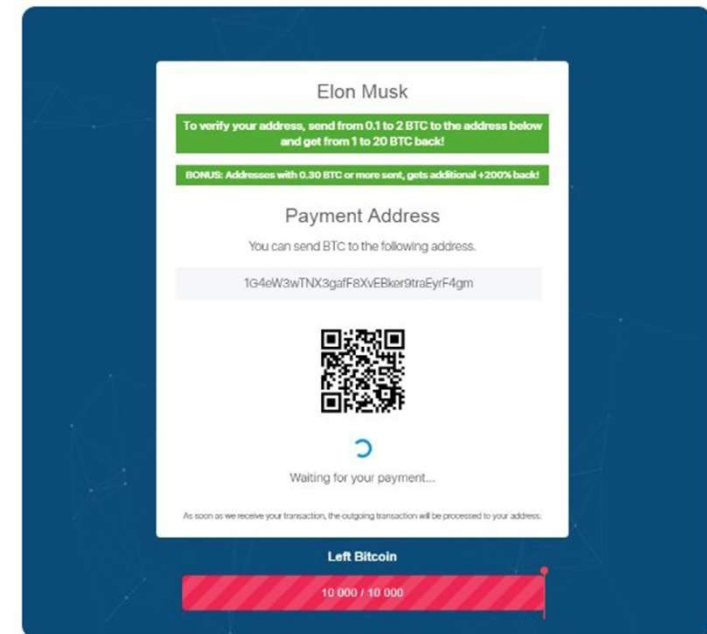
Follow

I'm giving 10 000 Bitcoin (BTC) to all community!

I left the post of director of Tesla, thank you all for your support!

I decided to make the biggest crypto-giveaway in the world, for all my readers who use Bitcoin.

Participate in giveaway - musk.plus



Accidental loss

Lost password

Discarded hardware

Storage failure

Lessons

Backups

Multisig

Secure your systems

Option: rely on a custodian

Bitcoin Price Resources

<https://bitcoincharts.com/>

<https://finance.yahoo.com/quote/BTC-USD>

<https://www.coindesk.com/price/bitcoin>

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