Terminology in Crypto World

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Disclaimer

This session is only for sharing knowledge

We do not encourage trading/investing in Crypto
Currency
We are not financially exposed to Crypto Currency

Gratitude

Dinesh K Tejwani for encouraging and valuable inputs

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Blockchain, Block

Blockchain, is a digital form of record keeping. It is the underlying technology behind cryptocurrencies. A B**lockchain** is result of sequential **Blocks of Data** that build upon one another, creating a permanent and unchangeable ledger of transactions (or other data).

Each **Block** can hold only a certain finite piece of information. Once it reaches that limit, a new block is formed to continue the chain.

Cryptocurrency, Token, Coin

Crypto - Digital
Currency – Pay Value

A representative store of digital value that lives on a given blockchain or cryptocurrency network. Some blockchains have the same name for both the network and the coin, like Bitcoin. Others can have different names for each, like the **Ethereum** blockchain, which has a native coin called **Ether.**

Bitcoin / Ethereum / Altcoin

Bitcoin, is first and most valuable cryptocurrency, launched on 3 Jan. 2009. **Ethereum** is second-most popular coin.
An **Altcoin** is any coin that's not **Bitcoin.**

Stablecoin, Digital Fiat

Stablecoins are cryptocurrencies the value of which is pegged, to that of another currency, commodity or financial instrument. Stablecoins pursue price stability by maintaining reserve assets as collateral or through *algorithmic formulas* that are supposed to control supply.
Luna was Stable basis *algorithm* and Terra was pegged to Luna

Central Bank Digital Currency (CBDC) / Digital Fiat is the digital form of a country's Fiat currency. It is issued and regulated by a nation's monetary authority.

Fork

When a Blockchain's user make changes to its rules. These changes to the protocol of a blockchain often result in two new paths - one that follows the old rules, and a new blockchain that splits off from the previous one, hence **FORK.**

Bitcoin Cash

Branching (**FORK**) of Bitcoin, formed for peer-to-peer electronic cash system. Bitcoin Cash is stable and designed for transactions.

Exchange A digital marketplace where you can buy and sell Cryptocurrency. **Binance, FTX, Houbi**
Coinbase **Coinbase**, a popular centralized Cryptocurrency Exchange, made history as the ***first cryptocurrency exchange*** to go public on **Nasdaq**

Wallet / Cold Wallet / Hot Wallet

Wallet, to store your cryptocurrency holdings. Many exchanges offer digital wallets. Wallets may be hot (online, software-based) or cold (offline, usually on a device e.g. Pen Drive)

Public Key

Public Key is wallet's address, similar to **bank account number.** You may share your public wallet key, so people and institutions can transact with you

Private Key

Private Key is encrypted code that allows access to your cryptocurrency, similar to your bank account password.

Airdrop **Airdrop** are like "Free Samples" given to Large Traders / Investors
Distribution **Distributions** is Balancing activity by Exchange to manage *over Heated position*, after studying Spot vis-à-vis Futures exposure for a Currency.
Staking Some Cryptocurrency allows **Staking** You can "stake" some of your holdings and earn a percentage-rate reward over time like **Fixed Deposit** e.g. Tezos, Cosmos, Ethereum (via the new ETH2 upgrade)

Gas

Gas refers to the fee or value, required to successfully conduct a transaction or execute a contract on the Ethereum blockchain platform

Transaction Fee to conduct Trade is separate and variant in every Exchange

Halving

A feature written into Bitcoin's code, in which after a certain number of blocks are mined (typically every four years) the amount of new Bitcoin entering circulation gets halved. The halving have an impact on Bitcoin's price.

Currency Pairing, Quote Currency

Currency pair is the value of one currency being quoted against the other. The first listed currency of a currency pair is called the **Base currency**, and the second currency is called the **Quote currency**.

BTCBNB 1BTC: 95.39096453BNB
BNBBTC 1BNB: 0.010440BTC

Genesis Block

The first block of a cryptocurrency ever mined.

Initial Coin Offering (ICO)

An initial coin offering (ICO) is an unregulated means by which funds are raised for a new Cryptocurrency venture.

Market Capitalization of any cryptocurrency is the total value of all the coins that have been mined.

SLANGS

HODL "HODDLE" - I am holding
FOMO **Fear of Missing Out** - emotion that can induce bad decision making
FUD **Fear Uncertainty and Doubt** - propaganda tactic to create negative emotion

SLANGS

The Flippening

A hypothetical event in which Ethereum's market cap will one day eclipse Bitcoin's. It is used to describe situation where a less-established token or protocol might overtake a larger rival

Pump and Dump

A coordinated effort to artificially inflate the price of an asset and cash out before it tumbles back to earth

REKT

REKT means to lose badly

Thank you

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