

CRYPTO VOCAB CHEAT SHEET

BLOCKCHAIN

An open, network of individuals that share potentially valuable data in a tamper-proof way. Data is collected into groupings called blocks. Each block has a certain storage capacity so, when it is filled, it is linked to the previously filled block forming a chain of data — hence the name “blockchain.” When additional information is subsequently added, another new block is formed and added to the existing blockchain.

SMART CONTRACT

A smart contract is a self-executing contract with the terms of the agreement between buyer and seller being directly written into lines of code. The code and the agreements contained therein exist across a distributed, decentralized blockchain network.

CRYPTOCURRENCY

Virtual currency secured by cryptography. It is designed to work as a medium of exchange, where individual ownership records are stored in a computerized database

METaverse

A virtual-reality space in which users can interact with a computer-generated environment and other users.

CRYPTO WALLET

Crypto wallets store your private keys, keeping your crypto safe and accessible. They also allow you to send, receive, and spend cryptocurrencies like Bitcoin and Ethereum.

NFT

Digital assets that are unique. They can be used to represent both tangible and intangible items.

AVATAR

An avatar is like a picture or character that represents you online. It can be used to show what you look like in games, on computers, and in virtual worlds.



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NODES

Nodes are computers that store the full copy of a blockchain network's ledger and help to keep the network secure and operational by verifying and relaying transactions. They also help to maintain the integrity of the blockchain by making sure it is up to date and correct.

FIAT

Fiat is a kind of money that the government makes. It's like real money that we use to buy things. With cryptocurrency, people use fiat to buy digital coins like Bitcoin or Ethereum.

HASHING

Hashing is like a secret code that helps keep your data safe. It takes a piece of data and turns it into a special code that only a computer can understand. This code is unique, so if something changes, the code is different too. That way, people can tell if someone is trying to change the data without permission..

PROOF OF STAKE

In Proof of Stake (PoS) consensus, users put down a stake of cryptocurrency in order to be eligible to validate blocks and earn rewards. The stake is used to determine the user's chances of successfully validating a block, and the amount of rewards they will receive. PoS is more energy-efficient and secure than Proof of Work (PoW).

PROOF OF WORK

Proof of Work is a consensus algorithm used in cryptocurrency networks that requires miners to solve complex mathematical puzzles in order to validate transactions and create new blocks on the blockchain. Miners are rewarded for solving these puzzles with new coins and transaction fees. PoW helps to ensure security and stability on the network.

DAO (DECENTRALIZED AUTONOMOUS ORGANIZATION)

DAO is a new kind of organizational structure, built with blockchain technology, that is often described as a sort of crypto co-op. It is like a group of people that make decisions together. They decide what to do, how to do it and how to share the work. Everyone in the group has a say, and they work together to make sure everyone is happy with the decisions they make.

TRUFFLE

Truffle is a development tool used to build decentralized applications (dApps) on the Ethereum blockchain. It provides a suite of tools to help developers create and deploy smart contracts, test and debug code, and interact with the Ethereum network.



WHAT IS WEB 3



DEFINITION:

Web3, also known as the "decentralized web," is a term used to describe the next evolution of the internet. It's an internet where users have more control over their data, and where transactions can happen without the need for intermediaries like banks or social media companies.

The current version of the internet, Web2, is centralized, meaning that data is stored on servers owned by a small number of powerful companies. This can lead to problems such as data breaches, censorship, and the monetization of user data without their consent.

Web3, on the other hand, is built on decentralized technologies like blockchain and peer-to-peer networks, which distribute data across a network of computers rather than storing it on centralized servers. This makes it more difficult for any one entity to control the flow of information.

Web3 also enables the use of decentralized applications (dApps) that run on top of these decentralized networks. These dApps can provide users with new ways to interact with each other and with the internet, such as decentralized social networks, marketplaces, and even virtual worlds.

Overall, Web3 represents a shift towards a more democratic and user-centric internet, where individuals have more control over their data and the applications they use.

DEFINITION SIMPLIFIED:

Web3 is like a new and better internet. It helps people keep their information safe and not just let big companies have it. With Web3, people can do things like buy and sell things without needing a bank or social media company in between.

It's like everyone has a voice and it's harder for just one person or company to control everything. There are also new fun things people can do, like play games and meet friends online. It's a big change for the internet and makes it better for everyone!