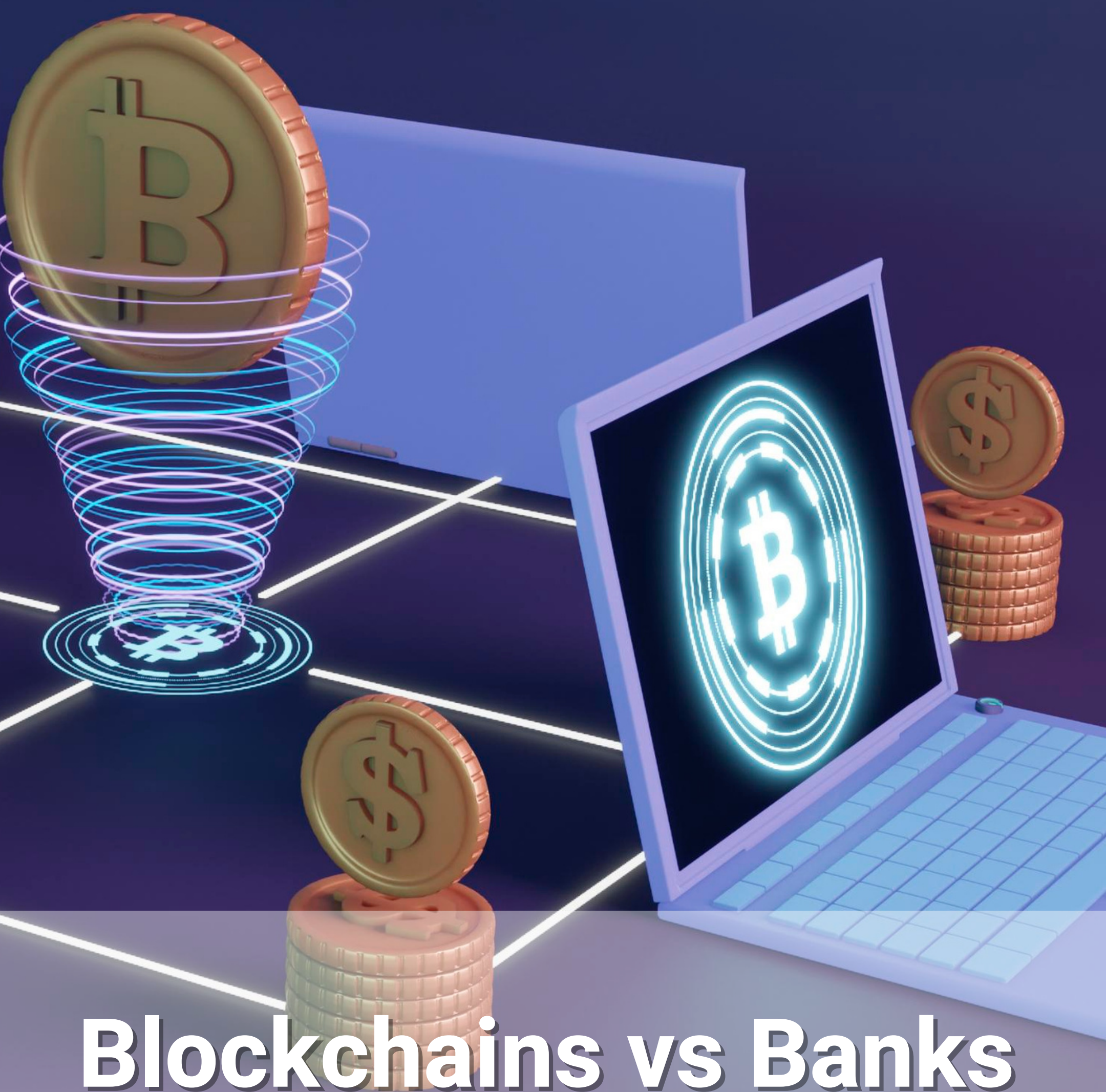


Unidad 1



Blockchains vs Banks

Activity 7. Pre-reading: Word Search with key vocabulary about the reading "Blockchains vs Banks"

Enlace para jugarlo en linea:
<https://wordwall.net/es/resource/67104741>



Look for the words in the wordsearch:

- Business
- Bank
- Transaction
- Bitcoin
- Fees
- Speed
- KYC (Know Your Customer)
- Transfers
- Privacy
- Security
- Approved
- Account
- Network
- Blockchain
- Server

Activity 8. Reading:

"Blockchains vs Banks"

Banks and decentralized blockchains are very different from each other. To see how different a bank is from blockchain, let's compare its banking system with Bitcoin's blockchain implementation.

Property Bank Bitcoin Work Hours Typical physically operating banks are open from 09:00 to 17:00 on weekdays. Some banks are only open on weekends during limited hours. All banks are closed on public holidays. There is no set time; Open 24/7, 365 days a year.

Transaction Costs Card payments: This fee depends on the card and is not paid directly by the user. These fees to payment processors are paid by stores and are generally charged per transaction.

The effect of this fee can sometimes increase the cost of goods and services. **Checks:** Depending on your bank, it can be between 5 and 222 TL. **EFT:** EFT transfers used to send money to external accounts can cost up to 15 TL. **Bank Transfer:** Outgoing domestic wire transfers can cost up to 185 TL. Outgoing international bank transfers may cost 333 TL. Bitcoin has variable transaction fees set by miners and users. This fee can range from 0 to 370 TL, but users have the ability to specify how much of a fee they want to pay. If the user sets his fee too low, there may be an open market where transactions may not occur.

Transaction Speed Card payments: 24-48 hours **Checks:** 24-72 hours **ACH:** 24-48 hours **Wire transfer:** Within 24 hours unless international * Bank transfers are generally not processed on weekends and public holidays Bitcoin transactions can take as little as 15 minutes or more than an hour, depending on network congestion.

Know Your Customer Rule Bank accounts and other banking products require "Know Your Customer" procedures.



This procedure legally means that banks must record a customer's identity before opening an account. Any person, any identity to the Bitcoin network You can participate without submitting. In theory, even an AI-equipped entity can join the Bitcoin network. Ease of Transfers The minimum requirements for digital transfers include government-issued identification, bank account, and mobile phone. Internet connection and mobile phone are minimum requirements. Privacy Bank account information is stored on special servers of the bank and maintained by the customer. Bank account privacy; it is limited by how secure the bank's servers are and how well the individual user is protecting their information. If the bank's servers are compromised, individuals' accounts are also in jeopardy. Bitcoin can be as private as the user wants. All Bitcoins can be tracked, but if a Bitcoin was purchased anonymously, it is impossible to determine who owns the Bitcoin. If Bitcoin is purchased on a KYC exchange, Bitcoin is linked directly to the owner of the KYC exchange account.



Security Even under the condition that we assume that the customer is implementing robust internet security measures such as secure passwords and two-factor authentication; a bank account's information is just as secure as the bank's server, which contains customer account information. As the Bitcoin network grows, it becomes more secure. The level of security a Bitcoin owner has with their Bitcoins is entirely up to him. Therefore, it is recommended that people use cold storage for their Bitcoins that will be held in large amounts or for a long time. Approved Transactions Banks reserve the right to refuse a transaction for various reasons. If your bank notices unusual locations or purchases for unusual products; operation can be denied. The Bitcoin network itself does not determine how Bitcoin will be used in any way or form. Users can trade Bitcoin as they see fit, but the rules of their country or region must also be followed. Account Takeover Due to KYC laws, governments can easily track people's bank accounts and seize assets within the accounts for various reasons. If Bitcoin is used anonymously, governments are forced to take over the identity of its owner.

Taken from: https://candlefocus.com/articles/Blockchain_vs_Banks

Para consolidar las respuestas ingrese al cuestionario online.

Activity 9

Activity 10. Discussion questions about blockchains:

Discuss with your partners the following questions:

1. What are the key features of blockchain technology that make it unique compared to traditional financial systems, and how do these features contribute to its potential for disruption?
2. How does the concept of decentralization in blockchain impact trust and security in financial transactions? Discuss the advantages and potential challenges associated with a decentralized system.
3. Consider the potential benefits and risks associated with the adoption of blockchain technology. How might blockchain revolutionize various industries, and what concerns should be addressed in its widespread implementation?

Keywords about the reading "How are blockchains used?"

- **Blockchain Technology:** A decentralized and distributed ledger system that uses cryptography to secure transactions and maintain an immutable record.
- **Peer-to-Peer Transaction System:** A network where transactions occur directly between participants without the need for intermediaries, enhancing efficiency and reducing costs.
- **Immutable Ledger:** A ledger that cannot be altered or tampered with once a transaction is recorded, ensuring data integrity and security.
- **Non-Fungible Token (NFT):** Unique digital tokens representing ownership of specific assets, often used in markets such as art, collectibles, and digital assets.
- **Smart Contracts:** Self-executing computer programs or protocols on a blockchain that automatically enforce and execute predefined terms of a contract.
- **Decentralized Applications (dApps):** Applications built on blockchain technology, operating on a decentralized network, often utilizing smart contracts for functionality.
- **Decentralized Finance (DeFi):** Financial services and applications built on blockchain technology, aiming to eliminate traditional intermediaries in financial transactions.
- **Cryptocurrency:** Digital or virtual currencies that use cryptography for security, with examples like Bitcoin and Ethereum.
- **Volatility:** The degree of variation of a trading price series over time, representing the unpredictability and price fluctuations in the cryptocurrency market.

Reading:

How are blockchains used?

Any industry that can use a peer-to-peer transaction system with an immutable ledger can benefit from blockchain technology. It's easy to imagine how expansive blockchain applications can be.

The cryptocurrency industry made blockchain something of a household term; decentralized and traditional finance may soon follow crypto's cue. Other fields that may adopt blockchain technologies include non-fungible token (NFT) markets, supply chain and logistics, energy, health care, e-commerce, media, voting systems, and government and public sector operations. A key to innovation may be smart contracts—blockchain-based computer programs or transaction protocols that function as digital contracts—and the decentralized applications (dApps) that use them.

Again, we're still at the beginning stages of blockchain development. Although its potential use cases are many and various, it's important to remember that wide-scale adoption hasn't quite begun.

What are the risks?

Every unique technology comes with its own unique set of risks. Blockchain is no exception.

Although the blockchain itself may not be hackable—remember, it's an immutable ledger—the systems surrounding the blockchain can be hacked.

The simplest example is that of a bad actor obtaining passwords and credentials to access digital assets. Unsecured and exposed goods can be stolen.

A more sophisticated risk is that of a 51% attack. In cryptocurrency applications, this means a single entity could gain control of more than 50% of all cryptocurrency mining or staking. Once in control, the entity may not be able to alter previous blocks on the chain, but it can alter future blocks. For instance, it may be able to prevent or reverse transactions, possibly even double-spending any cryptocurrency pending a slot in the block.

For large networks like Bitcoin and Ethereum, a 51% attack may be too difficult and too costly to attempt. But for smaller networks, it may be possible.

How can a person invest in blockchain technology?

Probably the most direct and regulated way to invest in blockchain tech is by investing in stocks of publicly traded companies that are developing blockchain networks.

You can also gain indirect exposure by investing in companies involved in decentralized finance, financial technology (FinTech), metaverse technologies, cryptocurrency exchanges, or hardware designed for crypto, blockchain, or decentralized finance (DeFi) purposes.

Your other options are to purchase digital assets such as cryptocurrencies or NFTs. Note that the crypto world is largely unregulated, so scams and fraudulent activity are frequently reported. Plus, cryptocurrencies and their underlying investments are highly volatile (i.e., prices tend to swing violently).



The bottom line

Blockchain is an emerging technology that has the potential to disrupt and revolutionize the way we conduct business, make commercial transactions, enforce legal contracts, and even enact government policy. Its impact on today's world can be likened to the advent of the Internet back in the 1990s.

Like the early tech boom, the blockchain movement is generating plenty of innovations. They may all be unique, but they won't all succeed or gain mass adoption. Blockchain presents investors with exciting new opportunities, but it also comes with a number of risks. Proceed with caution.

Taken from: <https://www.britannica.com/money/what-is-blockchain>

Activity 13

Para consolidar las respuestas, ingrese al cuestionario online:

https://quizizz.com/admin/quiz/65b3e2fffe08b7afc85504da?source=quiz_share

Activity 14

Watch the video "Blockchain Transparency | Blockchain: Understanding Its Uses & Implications | edX Series"mobirise

Link: <https://www.youtube.com/watch?v=kAOGMcakfRc>

Activity 15

According to the video, say if the statements are true or false.

Cuestionario online.

