

# CAIE Computer Science IGCSE

## 5.2 Digital currency

### Flashcards

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# What is a digital currency?



# What is a digital currency?

A form of money that exists only electronically, with no physical coins or notes, used to pay for goods or services online.



# What does it mean if a digital currency is decentralised?



What does it mean if a digital currency is decentralised?

It is not controlled by banks or the government.



# How are digital currencies usually protected?



# How are digital currencies usually protected?

They are usually encrypted.



# What is a blockchain?





# What is a blockchain?

A digital ledger, consisting of a time-stamped series of records that cannot be altered.



What is the first step when making a payment using digital currency and blockchain?



What is the first step when making a payment using digital currency and blockchain?

The customer's device encrypts the payment information before sending it.



What details are stored in the  
blockchain ledger for each  
transaction?



What details are stored in the blockchain ledger for each transaction?

Digital signature, time stamp, and other identifying data.



# What is a “block” in blockchain terms?



# What is a “block” in blockchain terms?

A group of multiple transactions stored together.



# What is a block hash?





# What is a block hash?

A cryptographic code that uniquely identifies a block and links it to the previous block.



# When is a block considered complete?



# When is a block considered complete?

When it reaches its capacity or all transactions are confirmed.



What happens to a  
completed block in the  
blockchain network?



What happens to a completed block in the blockchain network?

It is added to the blockchain on every device in the network, ensuring all ledgers are identical and up to date.

