Free Questions for 312-82

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Question 1

Question Type: MultipleChoice

FinCEN requires any person engaging in the business of money transmission or the transfer of funds, including CVC, to (I) maintain an "effective" written anti-money laundering program reasonably designed to prevent the business from being employed to help the financing of terrorist activities and money laundering and_____.

Options:

A- Report suspidous transactions

B- Registry as a money service business

C- Maintain detailed records of all customers

D- Submit reports to the SEC

Answer:

A

Explanation:

FinCEN requires money transmitters and companies involved in virtual currency (CVC) transmission to report suspicious transactions as part of their anti-money laundering (AML) responsibilities. This is in addition to maintaining an effective AML program and registering as a money service business (MSB).

Key Details:

AML Program: The program must be reasonably designed to detect and prevent the use of financial services for money laundering or terrorist financing.

Reporting Suspicious Activity: FinCEN mandates that companies must file Suspicious Activity Reports (SARs) for any transactions that appear to be potentially suspicious or indicative of illegal activities.

Regulatory Compliance: This requirement ensures that businesses adhere to federal regulations, contributing to a secure financial system by monitoring and reporting illicit activity.

Therefore, A. Report suspicious transactions is the correct answer, as this is a key requirement for companies under FinCEN's regulations regarding money transmission and virtual currencies.

Question 2

Question Type: **MultipleChoice**

Ethereum uses_____ as Proof of Work (PoW) whereas Bitcoin uses____based PoW.

Options:

A- PoB BoW

B- SHAZ56 ETHASH

C- PoW PoB

D- ETHASH SHA-256

Answer:

D

Explanation:

Ethereum uses Ethash as its Proof of Work (PoW) algorithm, while Bitcoin uses SHA-256 for its PoW algorithm. Both are used to secure their respective networks, but they differ in terms of computational complexity and memory requirements.

Key Details:

Ethash (Ethereum): Ethash is a memory-hard hashing algorithm designed to be resistant to ASIC mining, favoring GPU miners instead. It requires substantial memory, which helps to ensure a higher degree of decentralization.

SHA-256 (Bitcoin): Bitcoin's SHA-256 is a highly secure hashing algorithm that supports ASIC mining. It is computationally intensive but less memory-demanding compared to Ethash.

Purpose in PoW: Both algorithms enable miners to validate transactions and secure the network by solving complex puzzles. Ethash's design helps Ethereum maintain a decentralized network, whereas SHA-256 allows Bitcoin to achieve high levels of security with specialized mining equipment.

Therefore, D. ETHASH SHA-256 is the correct answer, as these are the specific PoW algorithms used by Ethereum and Bitcoin, respectively.

Question 3

Question Type: **MultipleChoice**

_____is designed to allow easy deployment of bloodchains.

Options:

A- Composer

B- Cello

C- Caliper

D- Quit

Answer:

B

Explanation:

Hyperledger Cello is designed to facilitate the deployment and management of blockchain networks. It provides an easy-to-use framework for creating, managing, and scaling blockchain networks, making it suitable for rapid deployment and operation. Although the term 'bloodchains' might be a typo or intended for 'blockchains,' Cello indeed simplifies the blockchain setup process for various applications.

Key Details:

Deployment and Management: Cello offers a suite of tools that automates blockchain deployment, operation, and monitoring, making it accessible for businesses looking to adopt blockchain technology with minimal effort.

Modular Approach: It supports various blockchain frameworks, including Hyperledger Fabric, and is aimed at reducing the complexity involved in blockchain management.

Use Cases: Hyperledger Cello is useful for enterprise blockchain applications, as it allows administrators to manage blockchain networks with tools that support configuration, monitoring, and scaling.

Thus, B. Cello is the correct answer, as it simplifies blockchain deployment and management.

Question 4

Question Type: MultipleChoice

_____is a blockchain based predictions market that uses the Ethereum blockchain.

Options:

A- Augur

B- IBM Blockchain

C- STEEM

D- DASH

Answer:

A

Explanation:

Augur is a decentralized, blockchain-based predictions market built on the Ethereum network. It enables users to create and participate in markets based on the outcome of real-world events, using smart contracts to automate the process and secure transactions.

Key Details:

Ethereum-Based: Augur utilizes the Ethereum blockchain to facilitate the creation and settlement of prediction markets. It leverages Ethereum's smart contracts to ensure transparency, immutability, and trustless interactions.

Decentralized Prediction Market: In Augur, users can bet on the outcome of various events, ranging from sports to elections. The decentralized nature of the platform ensures that no central authority controls the markets, providing a level of censorship resistance.

Token Usage: Augur uses a token called REP (Reputation) that holders use to report and dispute outcomes of events on the platform. This ensures that the market outcomes are validated in a decentralized manner.

Thus, A. Augur is the correct answer, as it is a blockchain-based prediction market built on Ethereum.

Question 5

Question Type: **MultipleChoice**

In this method users permanently destroy a certain quantity of bitcoin in proportion to the quantity of altcoin to be demand. What is this method?

Options:

A- Side block

B- Proof of Burn

C- Side-chaining

D- Proof of ownership

Answer:

B

Explanation:

Proof of Burn (PoB) is a consensus mechanism where users permanently destroy (or 'burn') a certain quantity of cryptocurrency, such as Bitcoin, to gain the right to mine or acquire an altcoin. This process proves commitment to the network and secures it by effectively sacrificing one asset to obtain another.

Key Details:

Burning Process: In PoB, participants send a certain amount of cryptocurrency to an unspendable address, effectively removing it from circulation. This act serves as proof that they have invested in the network by reducing the supply of the original cryptocurrency.

Purpose and Use Cases: PoB is used by networks that want to incentivize long-term commitment and reduce total supply. It is often seen in new blockchain projects that allow miners or users to trade value in established currencies like Bitcoin for the native token of the new network.

Security: By requiring participants to destroy value, PoB helps prevent spam attacks and promotes network stability.

Therefore, B. Proof of Burn is the correct answer, as it describes the method where users destroy a certain amount of cryptocurrency to receive or mine another asset.

Question 6

Question Type: MultipleChoice

A____does not result in a new chain and does not require client nodes to upgrade.

Options:

A- Dependent chain

B- Soft fork

C- Hard fork

D- Side chain

Answer:

B

Explanation:

A soft fork is a change to a blockchain protocol that is backward-compatible, meaning it does not result in the creation of a new chain and does not require all client nodes to upgrade. Nodes that do not upgrade can still participate in the network, although they may not have access to all new features introduced by the soft fork.

Key Details:

Backward Compatibility: In a soft fork, updated nodes enforce the new rules, while non-updated nodes continue to follow the older protocol but remain part of the same blockchain. This contrasts with hard forks, where incompatibility leads to the creation of a new chain.

Use Cases: Soft forks are commonly used to implement protocol upgrades or adjustments that do not fundamentally alter the structure of the blockchain, such as increasing block size limits or adding new features that are optional.

Examples: An example of a soft fork is the Segregated Witness (SegWit) update on the Bitcoin blockchain, which was implemented to increase block capacity without splitting the chain.

Thus, B. Soft fork is the correct answer, as it refers to a backward-compatible update that does not require a new chain or mandatory upgrades from all nodes.

Question 7

Question Type: MultipleChoice

A_____ is a blockchain where participants of the network are already known and trusted.

Options:

A- Permissioned ledger

B- Hyperledger Fabric

C- Smart contract

D- Permission less ledger

Answer:

A

Explanation:

A Permissioned ledger is a blockchain where participants are known and trusted, and access to the network is restricted to authorized entities. Permissioned ledgers are commonly used in enterprise and consortium settings where privacy, compliance, and control over data are essential.

Key Details:

Controlled Access: In a permissioned ledger, only pre-approved participants can validate transactions and participate in the consensus process. This model ensures that all network members are identified and trusted, which is ideal for environments requiring a higher level of control and privacy.

Use Cases: Permissioned ledgers are widely used in industries such as finance, healthcare, and supply chain, where it's important to know and trust participants due to regulatory or operational needs.

Contrast with Permissionless Ledgers: Unlike permissionless ledgers (such as Bitcoin), which allow anyone to join and participate in the network, permissioned ledgers restrict participation to entities that meet specific criteria.

Thus, A. Permissioned ledger is the correct answer, as it describes a blockchain network where participants are known and trusted.

Question 8

Question Type: **MultipleChoice**

What is the primary benefit to patients of blockchain in the healthcare are industry?

Options:

A- Reduced wait times

B- Total control over personal health records

C- Improved medical outcomes

D- Reduced costs

Answer:

B

Explanation:

The primary benefit of blockchain in the healthcare industry for patients is total control over personal health records. Blockchain enables secure, decentralized storage of health data, allowing patients to control access to their information and share it with healthcare providers as needed.

Key Details:

Data Ownership and Privacy: Blockchain gives patients the ability to own and manage their health records. They can grant or revoke access to different healthcare providers, ensuring that only authorized personnel have access to their data.

Improved Security: Health records stored on a blockchain are encrypted and decentralized, making them resistant to tampering and unauthorized access. This enhances patient privacy and reduces the risk of data breaches.

Interoperability and Accessibility: Blockchain facilitates seamless sharing of health records across different healthcare providers and systems, improving coordination and care continuity without compromising data integrity.

Therefore, B. Total control over personal health records is the correct answer, as it represents a significant advantage for patients in managing their healthcare information securely.

Question 9

Question Type: MultipleChoice

_____ is the process of converting rights to an asset into a digital representation on a blockchain.

Options:

A- Proof of Work

B- Cryptomining

C- Proof of Stake

D- Tekenization

Answer:

D

Explanation:

Tokenization is the process of converting rights to an asset into a digital representation on a blockchain. This process allows assets like real estate, art, or securities to be represented as digital tokens that can be traded or transferred on a blockchain.

Key Details:

Digital Representation of Assets: Tokenization involves creating digital tokens on a blockchain that represent ownership or rights to a real-world asset. These tokens can be transferred and traded much like traditional assets.

Advantages of Tokenization: By enabling fractional ownership, tokenization lowers barriers to investment and improves liquidity. It also provides transparency and traceability in asset transactions.

Use Cases: Tokenization is widely used in real estate, art, and securities, as it facilitates easy transfer, enhances liquidity, and enables global access to traditionally illiquid assets.

Thus, D. Tokenization is the correct answer, as it describes the process of converting asset rights into a digital form on a blockchain.

Question 10

Question Type: MultipleChoice

According to Consensys, which of the following are benefits of blockchain for finance (pick two)?

Options:

A- Faster claims processing

B- More reactive market

C- Streamlined processes

D- Access to international markets

Answer:

C, D

Explanation:

According to ConsenSys, blockchain offers various benefits for finance, including streamlined processes and access to international markets. These benefits enable financial institutions to operate more efficiently and expand their services globally.

Key Details:

Streamlined Processes: Blockchain eliminates intermediaries, automates workflows through smart contracts, and reduces paperwork, resulting in faster and more efficient financial transactions and record-keeping.

Access to International Markets: Blockchain facilitates cross-border transactions and reduces the barriers associated with currency exchange and international settlements, allowing financial institutions to expand their reach and provide services to a global audience.

Operational Efficiency: By automating and digitizing various financial processes, blockchain reduces costs, enhances accuracy, and simplifies compliance, making it easier for financial institutions to operate internationally.

Therefore, C. Streamlined processes and D. Access to international markets are the correct answers, as these align with the benefits of blockchain for finance according to ConsenSys.