

CBBF.43q

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CBBF



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Certified Blockchain Business Foundations

Exam A

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QUESTION 1

Transparency allows_____.

- A. a trustless system where users can be certain of a result
- B. easy iteration through the Blockchain
- C. Records on the Blockchain to never be changed
- D. users on the Blockchain to change data on the Blockchain

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://lisk.io/academy/blockchain-basics/benefits-of-blockchain/why-is-blockchain-trustless>

QUESTION 2

Blockchain is always a better alternative to a standard database.



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- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://www.coindesk.com/information/what-is-the-difference-blockchain-and-database>

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QUESTION 3

How does a private Blockchain differ from a public one? Select all that apply.

- A. A private Blockchain does not use proof of work consensus
- B. A private Blockchain is more efficient and has faster transaction times
- C. A private Blockchain is not distributed
- D. A private Blockchain often requires the identity of users to be known

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://medium.com/coinmonks/public-vs-private-blockchain-in-a-nutshell-c9fe284fa39f>

QUESTION 4

A distributed network is always decentralized.

- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://stackoverflow.com/questions/49195562/difference-between-a-distributed-and-a-decentralized-network>

QUESTION 5

Blockchains work best when they are_____.

- A. combined with other technologies
- B. used for financial applications
- C. used alone
- D. used as an alternative to a database

Correct Answer: B

Section: (none)

Explanation



Explanation/Reference:

QUESTION 6

What is a hash function?

- A. A one-way function that converts input to a unique string output
- B. A function that stores data behind a key
- C. A two-way function used for condensing information
- D. The block-ID of the block
- E. All the above

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 7

How is Blockchain benefiting voting?

- A. By revealing the identity of each voter and who or what they voted for
- B. By controlling who gets to vote
- C. By only allowing a certain number of votes per person
- D. By allowing voters to trust their vote has been counted

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 8

Which of the following statements sums up the Proof of Work consensus process?

- A. Miners complete to find a nonce results in a hash that starts with a predetermined number of leading zeros.
- B. Miners put up a stake. A miner is then selected based on stake value to add a new block to the chain. If a miner adds an invalid block to the chain, that miner loses their stake.

- C. All nodes agree on the data of the transaction.
- D. Miners send assets to an inactive address. This process selects the next owner of a block.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://www.nichanank.com/blog/2018/5/23/consensus-algorithms-pow>

QUESTION 9

The Ethereum Blockchain provides a/an _____ virtual machine.

- A. Windows compatible
- B. energy efficient
- C. Linux compatible
- D. turing-complete

Correct Answer: D

Section: (none)

Explanation



Explanation/Reference:

Reference: <https://www.mycryptopedia.com/ethereum-virtual-machine-explained/>

QUESTION 10

Which Blockchain protocol uses Proof of Work Consensus? Select all that apply

- A. Hyperledger
- B. Corda
- C. Bitcoin
- D. Ethereum
- E. All of the above

Correct Answer: ACD

Section: (none)

Explanation

Explanation/Reference:

QUESTION 11

One of the big issues that new financial transaction Blockchain solutions face is_____.

- A. increasing the number of transactions per second (TPS)
- B. the inability to find use cases
- C. solving user identity
- D. getting banks to cooperate

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://www.cnbc.com/2018/10/01/five-crucial-challenges-for-blockchain-to-overcome-deloitte.html>

QUESTION 12

Once a record is stored on the Blockchain _____.

- A. the record is moved to a secure server
- B. the record is stored on a central node
- C. it can be changed by an authorized person
- D. the record is permanent



Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

Reference can be changed by an authorized person

QUESTION 13

An asset is defined as _____.

- A. all records on a database
- B. any data on the ledger
- C. anything of value requiring accountability of ownership

D. any record on a private network

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 14

One solution to increasing Blockchain Transactions Per Second (TPS) is_____.

- A. adding more network nodes
- B. off-chain transactions
- C. using faster microprocessors
- D. fewer regulations

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:



QUESTION 15

Blockchain applications can provide_____.



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- A. the elimination of intermediaries

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- B. building more trust between trusted parties
- C. collaboration between trusted parties
- D. better cooperation between banks

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 16

A Blockchain does NOT provide which attribute?

- A. Security through distribution
- B. Anonymity through cryptography
- C. Fault Tolerance through distribution
- D. Immutability through hashing

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:



QUESTION 17

How does the Bitcoin provide anonymity?

- A. Through Merkle trees
- B. Through public/private key cryptography
- C. Through consensus algorithms such as Proof of Work
- D. By publishing only the block address
- E. None of the above

Correct Answer: E

Section: (none)

Explanation

Explanation/Reference:

QUESTION 18

In its simplest state, a ledger_____.

- A. determines which node stores the assets
- B. records the transfer of an asset between participants
- C. proves ownership on the Blockchain
- D. provides privacy to users on the Blockchain

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://developer.ibm.com/tutorials/cl-blockchain-basics-intro-bluemix-trs/>

QUESTION 19

Blockchain 3.0 combined with the internet 3.0 will dramatically increase Blockchain use?

- A. True
- B. False

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 20

If a node on the network were to lose a copy of the ledger, the ledger is not lost. The large number of other nodes have a copy and won't lose track. This is known as_____.

- A. Censorship
- B. Immutability
- C. Transparency

D. Redundancy

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 21

What is the focus or primary goal of a private Blockchain? Select all that apply.

- A. To provide anonymity in business
- B. To save money by eliminating intermediaries
- C. To create a distributed database that allows for CRUD
- D. To provide transparency and trust for business while remaining secure

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:



QUESTION 22

Blockchain is faster and more efficient than a standard database.

- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://hackernoon.com/databases-and-blockchains-the-difference-is-in-their-purpose-and-design-56ba6335778b>

QUESTION 23

Blockchain technology uses_____.

- A. the latest banking software
- B. the same network S/W as the central bank
- C. the latest router S/W and network H/W
- D. A combination of older technology

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 24

What is dApp?

- A. A decentralized application
- B. A dishonest application
- C. A decoded application
- D. A distributed application

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://www.coindesk.com/information/what-is-a-decentralized-application-dapp>

QUESTION 25

The Blockchain combined with the Internet of Things (IoT) will dramatically _____.

- A. increase the use of cryptocurrency
- B. speed up the internet
- C. make Bitcoin less expensive
- D. increase device connectivity

Correct Answer: D

Section: (none)

Explanation



Explanation/Reference:

QUESTION 26

How much data can be represented by the data hash of a block?

- A. a maximum of 20 MB
- B. virtually any amount
- C. not to exceed 100k bytes
- D. the hash is only a memory location

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 27

Cryptocurrencies are a security regulated by the Securities and Exchange Commission.

- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 28

Once a record has been added to a Blockchain it can be altered.

- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: Once a record has been added to a Blockchain it can be altered **QUESTION 29**

In 2009, Bitcoin was created by_____.

- A. Vitalik Buterin
- B. Satoshi Nakamoto
- C. Hyperledger Foundation
- D. A Banking Consortium

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 30

What are the drawbacks of using Blockchain? Select all that apply

- A. High cost of developers
- B. Changing technology and the lack of a stable standard
- C. Its use of cryptography
- D. Its use of new applications

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 31

A Blockchain provides_____.

- A. true information by all parties involved

- B. a trusted transaction between untrusted parties
- C. the easiest way to conduct international transactions
- D. only trusted banks for conducting transactions

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 32

The Blockchain ledger is commonly referred to as_____.

- A. a database ledger
- B. a triple-entry ledger
- C. a double-entry ledger
- D. a genesis block

Correct Answer: A

Section: (none)

Explanation



Explanation/Reference:

QUESTION 33

In which consensus algorithm is a nonce used?

- A. Proof of Activity
- B. Proof of Work
- C. Proof of Stake
- D. Proof of Burn
- E. All of the above

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Reference: <https://www.mycryptopedia.com/bitcoin-nonce-explained/>

QUESTION 34

What does immutable mean?

- A. Fault tolerant
- B. Unable to be changed
- C. Highly secure
- D. None of the above

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 35

Blockchain does not provide?

- A. Security
- B. Immutability
- C. Fault tolerance
- D. Fast Transaction time

Correct Answer: D



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Section: (none)

Explanation

Explanation/Reference:

QUESTION 36

The cryptocurrency Bitcoin is_____.

- A. another application that runs on a Blockchain B. the same as all other cryptocurrencies
- C. replacing bartering in many parts of the world
- D. a replacement currency for the U.S. dollar

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:



QUESTION 37

Which of the following problems did Blockchain solve for cryptocurrencies?

- A. Anonymity
- B. Double Spending
- C. Destination of currencies
- D. None of the above

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 38

One of Blockchain's primary uses of cryptography is_____.

- A. keeping the network configuration a secret
- B. providing a public and private encryption key
- C. allowing users to communicate with each other anonymously
- D. keeping the I.P. addresses a secret

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 39

Who governs a Blockchain?

- A. The users
- B. The architects
- C. The creator of the Blockchain
- D. The developers

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 40

What do consensus methods achieve?

- A. Anonymity in a peer to peer network
- B. The highest level of security in a database by ensuring 51% agreement of nodes on the network.
- C. The most efficient way of recording a transaction in any database.
- D. It confirms that all nodes on the network are legitimate.
- E. None of the above

Correct Answer: D



Section: (none)

Explanation

Explanation/Reference:

QUESTION 41

Where is a Blockchain's central server?

- A. Where the Blockchain is created
- B. Located with the owner of the server
- C. There is no central server, it is distributed
- D. Orderer Node
- E. None of the above

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:



QUESTION 42

Cryptocurrencies have all the same characteristics as fiat currencies?

- A. True
- B. False

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 43

Why is Blockchain important?

- A. It allows for a secure, global, and peer to peer record of data

- B. It provides anonymity when making transactions
- C. It is a free, trusted bank
- D. It replaces all ledgers
- E. All of the above

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

