

Glossary

What are all of these technical terms?



TERM	DEFINITION
LC, LoC	Letter of Credit
DLT	Distributed Ledger Technology
Block	Blocks are packages of data that carry permanently recorded data on the Blockchain network
Blockchain	A shared ledger where transactions are permanently recorded by appending blocks. The Blockchain serves as a historical record of all transactions that ever occurred, from the genesis block to the latest block, hence the name Blockchain
Cryptocurrency	Also known as tokens, cryptocurrencies are representations of digital assets
Cryptographic Hash Function	Cryptographic hashes produce a fixed-size and unique hash value from variable-size transaction input. The SHA-256 computational algorithm is an example of a cryptographic hash
Decentralised Application	Must be completely open-source, it must operate autonomously, and with no entity controlling the majority of its tokens
Distributed Ledger	Distributed ledgers are ledgers in which data is stored across a network of decentralized nodes. A distributed ledger does not have to have its own currency and may be permissioned and private
Distributed Network	A type of network where processing power and data are spread over the nodes rather than having a centralised data centre
Digital Signature	A digital code generated by public key encryption that is attached to an electronically transmitted document to verify its contents and the sender's identity
Decryption / Encryption	<p>Decryption is the process of turning cipher-text back into plaintext</p> <p>Encryption is the process of turning a clear-text message (plaintext) into a data stream (cipher-text), which looks like a meaningless and random sequence of bits</p>
Ethereum	A Blockchain-based decentralised platform for apps that run smart contracts, and is aimed at solving issues associated with censorship, fraud and third party interference
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EVM	The Ethereum Virtual Machine (EVM) is a Turing complete virtual machine that allows anyone to execute arbitrary EVM Byte Code. Every Ethereum node runs on the EVM to maintain consensus across the blockchain
Fork	Forks create an alternate version of the blockchain, leaving two blockchains to run simultaneously on different parts of the network
Hard Fork	A type of fork that renders previously invalid transactions valid, and vice versa. This type of fork requires all nodes and users to upgrade to the latest version of the protocol software
Hash	The act of performing a hash function on the output data. This is used for confirming coin transactions

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Mining	The act of validating blockchain transactions. The necessity of validation warrants an incentive for the miners, usually in the form of coins. In this cryptocurrency boom, mining can be a lucrative business when done properly. By choosing the most efficient and suitable hardware and mining target, mining can produce a stable form of passive income
Node	A copy of the ledger operated by a participant of the blockchain network
Private Key	A private key is a string of data that allows you to access the tokens in a specific wallet. They act as passwords that are kept hidden from anyone but the owner of the address
SHA-256	SHA-256 is a cryptographic algorithm used by cryptocurrencies such as Bitcoin. However, it uses a lot of computing power and processing time, forcing miners to form mining pools to capture gains
Smart Contracts	Smart Contracts encode business rules in a programmable language onto the blockchain and are enforced by the participants of the network
Soft Fork	A soft fork differs from a hard fork in that only previously valid transactions are made invalid. Since old nodes recognize the new blocks as valid, a soft fork is essentially backward-compatible. This type of fork requires most miners upgrading in order to enforce, while a hard fork requires all nodes to agree on the new version
Token	A token is a digital identity for something that can be owned
Transaction Block	A collection of transactions gathered into a block that can then be hashed and added to the blockchain
Transaction Fee	All cryptocurrency transactions involve a small transaction fee. These transaction fees add up to account for the block reward that a miner receives when he successfully processes a block
Wallet	A file that houses private Keys. It usually contains a software client which allows access to view and create transactions on a specific blockchain that the wallet is designed for