# Diploma of Finance and Cryptocurrencies Final Test

## Future for Children Foundation by CDU

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1. **What is the primary role of finance?**
   A. Managing resources over time
   B. Tracking historical events
   C. Writing code for cryptocurrencies
   D. Designing digital wallets
   E. None of the above
2. **Which cryptocurrency was the first to be introduced?**
   A. Ethereum
   B. Litecoin
   C. Bitcoin
   D. Dogecoin
   E. Ripple
3. **What is a blockchain?**
   A. A chain of banks connected through the internet
   B. A decentralized digital ledger of transactions
   C. A private server storing financial data
   D. A physical chain securing digital data
   E. None of the above
4. **Which of the following is a characteristic of decentralized finance (DeFi)?**
   A. Centralized control by one institution
   B. No intermediaries in financial transactions
   C. A government-issued digital currency
   D. Limited access to technology
   E. Only used for trading stocks
5. **What is the purpose of cryptography in cryptocurrencies?**
   A. To increase volatility
   B. To ensure secure transactions
   C. To manage fiat currencies
   D. To regulate prices
   E. To eliminate blockchain technology
6. **Which is an example of a hot wallet?**
   A. A USB drive storing cryptocurrencies
   B. A mobile app connected to the internet
   C. A vault storing paper wallets

D. An offline hardware device
E. None of the above

7. **Which government body is responsible for regulating cryptocurrencies in most countries?**
   A. Central Banks
   B. Technology Departments
   C. Foreign Affairs Ministries
   D. Health Departments
   E. None of the above

8. **What does NFT stand for?**
   A. Non-Fungible Token
   B. National Finance Tool
   C. Network Fund Transfer
   D. Non-Financial Transaction
   E. None of the above

9. **Which platform is commonly used for trading cryptocurrencies?**
   A. Binance
   B. Shopify
   C. Amazon
   D. eBay
   E. None of the above

10. **What is the main risk of investing in cryptocurrencies?**
    A. Constant price stability
    B. Lack of digital wallets
    C. Price volatility and fraud risks
    D. High regulation by governments
    E. No access to online platforms

Continuing the **MCQ Question Paper**, here are questions 11–100:

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11. **What is the primary difference between hot wallets and cold wallets?**
    A. Hot wallets are connected to the internet, cold wallets are not.
    B. Cold wallets are faster for transactions than hot wallets.
    C. Hot wallets use cryptography, cold wallets do not.
    D. Cold wallets require constant power supply.
    E. None of the above.

12. **Which of the following cryptocurrencies is primarily focused on smart contracts?**
    A. Bitcoin
    B. Ethereum
    C. Ripple
    D. Litecoin
    E. Dogecoin

13. **What is a decentralized application (dApp)?**
    A. A centralized app controlled by a single entity.
    B. An application that runs on a distributed blockchain.
    C. An app used only for cryptocurrencies.
    D. A software for traditional banks.
    E. None of the above.

14. **What ensures the security of blockchain transactions?**
    A. Cryptography
    B. Physical locks

C. Central authorities
D. Passwords
E. None of the above.

15. **What does the term "mining" mean in the context of cryptocurrencies?**
    A. Physically extracting valuable minerals.
    B. Verifying transactions and adding them to a blockchain.
    C. Printing cryptocurrency notes.
    D. Converting cryptocurrency to cash.
    E. None of the above.

16. **Which cryptocurrency is known for its high energy consumption in mining?**
    A. Ethereum
    B. Bitcoin
    C. Dogecoin
    D. Litecoin
    E. Ripple

17. **What does the term "HODL" mean in the cryptocurrency world?**
    A. To sell cryptocurrency during market highs.
    B. To hold cryptocurrency instead of selling it.
    C. To buy cryptocurrency in bulk.
    D. To mine cryptocurrency aggressively.
    E. None of the above.

18. **What is the primary advantage of using blockchain for supply chains?**
    A. Increased opacity.
    B. Enhanced transparency and traceability.
    C. Reduced speed of transactions.
    D. High regulatory intervention.
    E. None of the above.

19. **What is a stablecoin?**
    A. A cryptocurrency backed by real-world assets like fiat currency.
    B. A coin that fluctuates rapidly in value.
    C. A government-issued digital coin.
    D. A type of non-fungible token.
    E. None of the above.

20. **What is the largest risk associated with decentralized exchanges?**
    A. Lack of liquidity.
    B. High government regulation.
    C. Dependency on intermediaries.
    D. Centralized control.
    E. None of the above.

Continuing the **MCQ Question Paper** with questions 21–30:

21. **Which of the following best describes a public blockchain?**
    A. A blockchain accessible only to select participants.
    B. A blockchain open to anyone for participation.
    C. A blockchain controlled by a single entity.
    D. A blockchain without cryptography.
    E. None of the above.

22. **What is a private key in cryptocurrency transactions?**
    A. A public address used to receive funds.

B. A secret code used to access and manage your funds.
C. A type of blockchain technology.
D. A key used by governments to control cryptocurrencies.
E. None of the above.

23. **What is the primary role of a cryptocurrency wallet?**
    A. To physically store digital currencies.
    B. To provide secure access to blockchain networks.
    C. To mine cryptocurrencies.
    D. To act as a central authority for transactions.
    E. None of the above.

24. **What is the function of gas fees in Ethereum?**
    A. To regulate the speed of mining.
    B. To reward miners for processing transactions.
    C. To increase the value of Ethereum.
    D. To fund the development of Ethereum.
    E. None of the above.

25. **Which feature is unique to Bitcoin compared to traditional fiat currencies?**
    A. Issued by a central authority.
    B. Fixed maximum supply of 21 million coins.
    C. Backed by physical assets like gold.
    D. Regular printing of new units.
    E. None of the above.

26. **What does the term "fork" mean in blockchain?**
    A. A split in the blockchain network due to differences in protocol.
    B. A physical device used to mine cryptocurrencies.
    C. A method to merge different blockchains.
    D. A government policy on cryptocurrencies.
    E. None of the above.

27. **What does decentralized governance in blockchain refer to?**
    A. Control by a single governing body.
    B. Decision-making through community consensus.
    C. Regulations imposed by governments.
    D. Blockchain managed by traditional banks.
    E. None of the above.

28. **Which of the following is an example of a decentralized exchange?**
    A. Binance
    B. Coinbase
    C. Uniswap
    D. PayPal
    E. None of the above.

29. **What is the primary reason for using smart contracts?**
    A. To enforce agreements automatically without intermediaries.
    B. To mine cryptocurrencies more efficiently.
    C. To store cryptocurrency in a wallet.
    D. To increase blockchain transparency.
    E. None of the above.

30. **Which technology underpins all cryptocurrencies?**
    A. Cloud computing
    B. Blockchain
    C. Artificial Intelligence
    D. Quantum computing
    E. None of the above.

Continuing the **MCQ Question Paper** with questions 31–40:

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31. **What does "immutability" in blockchain mean?**
    A. The ability to modify records on the blockchain.
    B. The inability to alter or delete records once added.
    C. High regulation by governments.
    D. High flexibility of data storage.
    E. None of the above.

32. **Which of the following is an example of a cold wallet?**
    A. Mobile app wallets like Trust Wallet
    B. Desktop wallets connected to the internet
    C. Hardware wallets like Ledger Nano
    D. Online wallets on exchanges like Binance
    E. None of the above.

33. **What does proof of work (PoW) refer to in blockchain?**
    A. A system to ensure miners work collaboratively.
    B. A consensus mechanism requiring computational effort.
    C. A system ensuring token stability.
    D. A government policy to regulate miners.
    E. None of the above.

34. **What is the maximum supply of Bitcoin?**
    A. 50 million
    B. 100 million
    C. 21 million
    D. Unlimited
    E. None of the above.

35. **What is the primary drawback of using cryptocurrencies for payments?**
    A. High transaction fees compared to banks.
    B. Instant transaction processing.
    C. Price volatility and lack of merchant acceptance.
    D. Limited technology for digital wallets.
    E. None of the above.

36. **Which country was the first to adopt Bitcoin as legal tender?**
    A. United States
    B. El Salvador
    C. Germany
    D. Japan
    E. China

37. **What is the primary difference between Ethereum and Bitcoin?**
    A. Bitcoin is used for smart contracts; Ethereum is not.
    B. Ethereum supports decentralized applications; Bitcoin does not.
    C. Ethereum has a fixed supply; Bitcoin does not.
    D. Bitcoin transactions are faster than Ethereum's.
    E. None of the above.

38. **What is staking in cryptocurrencies?**
    A. Mining cryptocurrencies using hardware.
    B. Holding funds in a wallet to support blockchain operations.
    C. Selling cryptocurrency during market highs.
    D. Increasing the number of tokens in circulation.
    E. None of the above.

39. **Which of the following is NOT a type of blockchain?**
    A. Public blockchain
    B. Private blockchain
    C. Hybrid blockchain
    D. Transparent blockchain
    E. None of the above.

40. **What does scalability mean in blockchain?**
    A. The ability of a blockchain to handle increased transaction volume.
    B. The ability to integrate with traditional banks.
    C. The cost of maintaining a blockchain.
    D. The flexibility of smart contracts.
    E. None of the above.

Continuing the **MCQ Question Paper** with questions 41–50:

41. **What is a token in the context of blockchain?**
    A. A type of cryptocurrency used only for payments
    B. A digital representation of an asset or utility on a blockchain
    C. A physical representation of blockchain technology
    D. A central unit controlling blockchain operations
    E. None of the above

42. **What is the purpose of a whitepaper in cryptocurrencies?**
    A. To explain the underlying technology and purpose of a cryptocurrency
    B. To serve as a government regulatory document
    C. To calculate gas fees for transactions
    D. To certify a blockchain is private
    E. None of the above

43. **Which blockchain platform is most commonly associated with NFTs?**
    A. Bitcoin
    B. Ethereum
    C. Ripple
    D. Litecoin
    E. Dogecoin

44. **What is the main benefit of a peer-to-peer (P2P) network in blockchain?**
    A. Centralized transaction processing
    B. Reduced dependency on intermediaries
    C. Fixed transaction speeds
    D. Government oversight of transactions
    E. None of the above

45. **What is meant by "double spending" in cryptocurrency?**
    A. Using the same cryptocurrency twice in two separate transactions
    B. Spending more cryptocurrency than available
    C. Transferring cryptocurrency without blockchain verification
    D. Mining cryptocurrency twice as fast
    E. None of the above

46. **What is the primary purpose of a seed phrase in cryptocurrency wallets?**
    A. To serve as a password for transactions
    B. To allow recovery of a wallet if lost
    C. To increase mining efficiency

D. To connect with blockchain networks

E. None of the above

47. **Which of the following is a drawback of proof of work (PoW) consensus?**

A. High energy consumption

B. Low computational requirements

C. Inability to verify transactions

D. Centralization of control

E. None of the above

48. **What does the term "hash rate" mean in blockchain?**

A. The speed at which miners mine blocks

B. The transaction fee for blockchain operations

C. The amount of cryptocurrency mined per day

D. The value of a cryptocurrency in the market

E. None of the above

49. **What is the primary goal of decentralized finance (DeFi)?**

A. To centralize blockchain operations

B. To remove intermediaries in financial transactions

C. To regulate blockchain technology globally

D. To ensure cryptocurrencies remain stable

E. None of the above

50. **What is a smart contract?**

A. A blockchain feature that ensures automatic execution of agreements

B. A government-approved cryptocurrency standard

C. A contract used only for Bitcoin transactions

D. A private blockchain agreement for security

E. None of the above