



Blockchain For Kids

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Class Outline



What is Blockchain?



How does Blockchain work?



What can Blockchain be used for?

Class Outcome

- Explain what blockchain is
- Give a brief history of money
- Explain how it works
- Give examples of what it can be used for

Long long ago, there was no money on earth. Humans had to do **trade by barter**.



Trade by Barter means, I need a **chicken**, but I have **yam**, and you need **yam**, but you have **chicken**. What do we do? We exchange it. I take your chicken and give you yam, you take my yam and give me chicken.



The problem with this type of exchange was availability and desirability. A day may come when you don't have the chicken I need, that's availability. Or if you have the chicken, perhaps what you have is **agric fowl** instead of the **orobo** that I want, that's desirability.



This led to the use of **cowrie shells**. Now, when I need a chicken, all I have to do is give the man or woman selling chickens in the market an agreed amount of cowries.



After cowries came coins. But they were too heavy to carry about. Coins soon gave way to paper money.



From paper money, we now have virtual money, or better known as cryptocurrency. Most popular being bitcoin.

The paper picture the photographer gave you is like paper money.

Your picture in my phone is like virtual money.

The Problem with Virtual Money

Double spending

Double spending

The Middleman

- Banks
- Governments

Because we trust the middleman, we can send money to even people we don't know.

Enter Blockchain

A technology that lets you send money anywhere, anytime, **WITHOUT** the middleman.

How it Works

A notebook is used to record entries. Everyone has a notebook (computer/nodes)

When a page is full, you move on to the next page, that's a block. As you have more and more blocks, they form a chain. BLOCK-CHAIN

Before new data (transaction) is added on the blockchain, a very difficult maths problem has to be solved. Whoever solves the problem is paid for solving it and all the nodes (computers) must agree with the answer before the new data is then added.

The process of solving the maths problem is called Proof of Work (PoW)

What Blockchain Can Be Used For

Sending and receiving money is not the only thing that blockchain can be used for. Whatever is recorded in the ledger can be money or other data or information.

- Education
- Government
- Healthcare
- Finance
- Industrial
- Business

DISCUSSIONS ON USE CASES

THANK YOU!