

Interested in Crypto-Currency? Blockchain Technology behind it will blow your mind

The cryptocurrency trend was successfully able to take over the FinTech industry and emerge as one of the most talked-about topics in the last few years. Many early adopters and new users were left astounded by the potential of this invention and began to question what it could mean for the financial services sector and rightly so. However, the foundation of cryptocurrency rests on Blockchain technology which is an astonishing invention that has transformed several industries such as healthcare, real-estate, insurance and many more.

If you're interested in investing in cryptocurrency, be sure to discover the characteristics of Blockchain technology first.

Bitcoin Blockchain: The Basics

As the foundation of cryptocurrency, blockchain can be defined as a public ledger of each and every transaction which has been conducted. This information cannot be modified or corrupted which makes cryptocurrency secure and free from malicious attacks. Another fundamental point to consider about cryptocurrency is that it is 'decentralized' this means that it is not governed by a central authority or banking institution unlike fiat money.

Rather than government officials, the network of people that essentially manages this intricate infrastructure consists of 'miners'. These miners run high-capacity computers to solve intricate mathematical puzzles that are responsible for successfully completing a transaction. Each transaction is initiated from a wallet that holds its own digital signature which validates that a transaction has actually originated from the owner of the wallet.

As numerous transactions take place across the world, they are categorized into 'blocks' which travels to the cryptocurrency network. Once a computer certifies the transaction upon solving a complex mathematical puzzle, it is finally completed and cryptocurrency is released as reward.

The Technology behind Blockchain Security

What makes the technology behind Blockchain even more fascinating is that it resolves one of the most important challenges facing the financial services sector – security. As each block is supplemented to the blockchain network, it holds with itself a cryptographic reference to the last block.

This reference is a component of the mathematical problem that must be solved to take a transaction towards completion and make it a part of the blockchain network. The puzzle in itself is created of several elements which makes data encrypted. In short, if any individual who intends to tamper with blockchain must re-mine the mathematical puzzles linked with the millions of blocks that were added previously, which is impossible!

The Most Disruptive Innovation of the 21st Century

Blockchain is arguably the most disruptive innovation of recent times because it eliminates the challenges and limitations that several industries face. People have been left stunned by the capability of this technology because it serves as an answer to their problems such as payment scams while eliminating the need to have a centralized authority to monitor financial transactions. The promise of Blockchain has the potential to transform the financial services industry as we know it and let users experience several advantages that they could only dream of previously.