



Bitcoin is a crypto currency and global payment system. It is the first decentralized digital cash, as the system works without a central bank or single administrator.

The system enables payments to be sent among users without passing through a principal authority, such as a bank or payment gateway. It is created and held electronically. Bitcoins aren't printed, like rupees or dollars – they're produced digitally around the world.

It was the first example of what we today call crypto currencies, a growing asset class that shares some characteristics of traditional currencies, with verification based on cryptography.

Who designed it?

An unknown software developer going by the name of *Satoshi Nakamoto* proposed bitcoin in 2008, as an electronic payment system based on scientific proof. The idea

was to produce a means of interchange, free of any central authority that could be transferred electronically in a secure, demonstrable and absolute way.

To this day, we don't know who *Satoshi Nakamoto* really is.

How Bitcoins are formed?



Some users put their computers to work verifying transactions in the peer-to-peer network (denoting or relating to networks in which each computer can act as a server for the others, allowing shared access to files and peripherals without the need for a central server). These users are salaried with new Bitcoins proportional to the amount of computing power they donate to the network.

How Bitcoins are controlled?

As previously mentioned, there is no central person or central authority in charge of Bitcoin. A number of programmers donate their time developing the open source Bitcoin software and can make changes subject to the approval of lead developer *Gavin Andresen* (Gavin Andresen is a software developer best known for

his involvement with bitcoin). The individual mineworkers then choose whether to install the new version of the software or stick to the old one, essentially “voting” with their processing power. It is in the mineworkers’ best interest to only accept changes that are good for the Bitcoin currency in the long run. These checks and balances make it difficult for anyone to manipulate Bitcoin.

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