

### MONEY

# Currency without Borders

- 1 IMAGINE IF YOU WERE TO WALK INTO A DELI, ORDER A CLUB SANDWICH, throw some dollar bills down and have the cashier say to you, "That's great. All I need now is your name, billing address, telephone number, mother's maiden name, and bank account number." Most customers would balk at these demands, and yet this is precisely how everyone pays for goods and services over the Internet.
- 2 There is no currency on the Web that is as straightforward and anonymous as the dollar bill. Instead we rely on financial surrogates such as credit-card companies to handle our transactions (which pocket a percentage of the sale, as well as your personal information). That could change with the rise of Bitcoin, an all-digital currency that is as liquid and anonymous as cash. It's "as if you were taking a dollar bill, squishing it into your computer and sending it out over the Internet," says Gavin Andresen, one of the leaders of the Bitcoin network.
- 3 Bitcoins are bits — strings of code that can be transferred from one user to another over a peer-to-peer network. Whereas most strings of bits can be copied infinitely (a property that would render any currency worthless), users can spend a Bitcoin only once. Strong cryptography protects Bitcoins against would-be thieves, and the peer-to-peer network eliminates the need for a central gatekeeper such as Visa or PayPal. The system puts power in the hands of the users, not financial middlemen.
- 4 Bitcoin borrows concepts from well-known cryptography programs. The software assigns every Bitcoin user two unique codes: a private key that is hidden on the user's computer and a public address that everyone can see. The key and the address are mathematically linked, but figuring out someone's key from his or her address is practically impossible. If I own 50 Bitcoins and want to transfer them to a friend, the software combines my key with my friend's address. Other people on the network use the relation between my public address and private key to verify that I own the Bitcoins that I want to spend, then transfer those Bitcoins using a code-breaking algorithm. The first computer to complete the calculations is awarded a few Bitcoins now and then, which recruits a diverse collective of users to maintain the system.
- 5 The first reported Bitcoin purchase was pizza sold for 10,000 Bitcoins in early 2010. Since then, exchange rates between Bitcoin and the U.S. dollar have bounced all over the scale like notes in a jazz solo. Because of the currency's volatility, only the rare online merchant will accept payment in Bitcoins. At this point, the Bitcoin community is small but especially enthusiastic — just like the early adopters of the Internet.  
—Morgen Peck

*Scientific American, 2011*

## Tekst 8 Currency without borders

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- 1p 35 What is the function of the first paragraph?
- A to criticise people for providing personal information
  - B to give an example of undesirable cashier behaviour
  - C to show how people's attitudes towards payments vary
  - D to warn people about the unreliability of e-shopping
- 1p 36 Which of the following is true according to paragraph 2?
- A Bitcoin provides a safe method of transferring cash on the Internet.
  - B Buyers are most likely to remain unidentified if they pay cash.
  - C Credit card companies obtain people's private information secretly.
  - D One's privacy is better protected with Bitcoin than credit cards.
- 1p 37 Which of the following about Bitcoin is in line with paragraphs 3 and 4?
- 1 A Bitcoin is a unique code that facilitates a person's multiple transfers of money.
  - 2 Bitcoin is a way of making financial transactions bypassing the banking sector.
- A only 1 is true
  - B only 2 is true
  - C both 1 and 2 are true
  - D neither 1 nor 2 is true
- “At this point, the Bitcoin community is small but especially enthusiastic — just like the early adopters of the Internet.” (laatste zin, alinea 5)
- 1p 38 Wat wil Morgen Peck met deze zin suggereren?

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### Bronvermelding

Een opsomming van de in dit examen gebruikte bronnen, zoals teksten en afbeeldingen, is te vinden in het bij dit examen behorende correctievoorschrift, dat na afloop van het examen wordt gepubliceerd.