

## terminology

Initially I wanted to write about the most used terms in the crypto world, only to realize there are quite a few resources already available. So I've decided to only write about a few basic terms, which will help newcomers to get more comfortable with the crypto world. Here goes:



**Cryptocurrency:** a digital medium of exchange based on certain principles of cryptography.

**Bitcoin:** a peer-to-peer payment system introduced as open source software in 2009 by developer Satoshi Nakamoto.

**Altcoins:** are the result of modifying the Bitcoin open source code (forking), by adding new features a different name. There are only a few notable altcoins that actually improve on the Bitcoin protocol.

**Wallet:** a digital version of a normal wallet, where bitcoins or any other altcoins are being stored. Each altcoin has its own wallet, so you cannot store bitcoins in a Quark wallet. Wallets can be: paper wallet, mobile wallet, online wallet, desktop wallet.

**Satoshi:** A "Satoshi" is the smallest unit of the Bitcoin currency, equal to 0.00000001 BTC.

**Blockchain:** a transaction database shared by all nodes participating in a system based on the Bitcoin protocol. All Bitcoin transactions are stored in the blockchain which is available to anyone at any time. No name or personal details are associated with transactions, only the transaction id or wallet address: [blockchain.info](http://blockchain.info) and [blockr.io](http://blockr.io) are the main public ledgers to check for Bitcoin transactions.

**Silk Road:** was an online market used for selling various things, including "illegal" plants and various drugs. It was operated as a [Tor](#) hidden service and the payments were exclusively on bitcoins.

**Bull Trap:** In economics, a Bull trap is an inaccurate signal that shows a decreasing trend in a stock or index has reversed and is now heading upwards, when in fact, the security will continue to decline. It is seen as a trap because the bullish investor purchases the stock, thinking it will increase in value, but is trapped with a poor performing stock whose value is still falling.

**Pump and Dump:** a process of creating hype about a coin, buying large amounts of it, artificially increasing the price to convince others to join in and then dumping large amounts of coins after the price has reached a certain threshold, thus the overall price will plummet.

### Wrap-up

The crypto world can be a complex environment and the more involved you get in it, the more your vocabulary will expand and it's best you get acquainted with as many terms as possible so you'll avoid falling for various traps. For more many other terms explained, check out [these two links](#).