DECENTRALIZED FINANCE

Quick Reference Guide

What is it?

- Financial system built on block chain technology
- Uses smart contracts
- Operates on decentralized networks
- Records transactions on public ledgers

Common Application

- Lending & borrowing platforms
- Can earn interest
- Yield farming
- Use as stablecoins
- Decentralized insurance

Benefits

- Provides accessibility to the unbanked
- Greater asset control
- Transparency
- Promotes interoperability between decentralized applications

Primary Tools

- Use of crypto wallets for storing & securing assets.
- Use of decentralized exchanges

Yield Farming

- Earns rewards through liquidity to DeFi protocols by staking assets into liquidity pools
- Associated risks: impermanent loss, & can be complex

What is a Stablecoin?

- Stable coins have a stable price pegged to a stable asset (i.e., US dollar)
- Essential in DeFi transactions
- Stable value makes them reliable for daily usage within DeFi applications

Quick Beginner Tips

- Create learning curves.
- Start with small investments.
- Secure your crypto wallet & enable 2FA for safety.
- Stay informed!

For More Information

Check out:
www.ScholarlyCryptoNite.com

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