Exchanges vs. Holding It Yourself

Name _____ Class _____ Date _____

Circle the letter of the best answer.

1. **When you buy bitcoin on an exchange and leave it there, who usually holds the keys?**
   - (A) You do, inside the app
   - (B) The exchange
   - (C) The FDIC
   - (D) Your bank

2. **What does an exchange customer actually hold?**
   - (A) Coins under their own key
   - (B) A paper certificate from the government
   - (C) A share of the exchange company
   - (D) A promise: a line in the exchange's records saying it owes them that much bitcoin

3. **Which of these is a real upside of letting an exchange hold the key?**
   - (A) You can reset a forgotten password and get help when something goes wrong
   - (B) Your coins are insured by the FDIC
   - (C) The exchange can never pause withdrawals
   - (D) No one, not even the exchange, can see your balance

4. **What happened to customers when Mt. Gox failed in 2014 and FTX failed in 2022?**
   - (A) They got their coins back the next day
   - (B) Nothing, because their coins were under their own keys
   - (C) Withdrawals froze, the exchanges went bankrupt, and customers waited years to get anything back
   - (D) The government paid them back in full right away

5. **What does "not your keys, not your coins" mean?**
   - (A) Only coins with your name printed on them are yours
   - (B) If someone else holds the key, you are relying on their promise; with your own key, the coins are under your control
   - (C) You should never use an exchange for any reason
   - (D) Keys can always be bought back from an exchange