

Crypto Basics: What You Need to Know — Workbook

This workbook turns the course into a clear, written set of decisions and safeguards that are yours. Each section maps to a course module, moving from understanding what crypto really is, to controlling your own keys and custody, to recognizing risks and scams, to evaluating any project like a skeptic. Work through it slowly and use the included spreadsheets to keep records and run honest comparisons. Nothing here is financial, tax, or legal advice; it is an educational framework for organizing your own choices, and a perfectly valid result is deciding crypto is not for you right now.

What Crypto Actually Is

Put the core concepts into your own words and confirm you can explain what you would actually be holding before going further.

Exercise: Explain It to a Twelve-Year-Old

Without copying the course, write a one or two sentence answer to each prompt in plain language. If you cannot answer clearly, that is a signal to re-read the module before moving on, not to skip ahead.

- What is a blockchain, and why is it harder to tamper with than a normal company database?

- What is the single biggest difference between Bitcoin and Ethereum in terms of what each is for?

- What is a stablecoin, and what is the one question you should always ask about any stablecoin?

- Name three things crypto does NOT do, even though hype often implies it does.

Worksheet: Sort Any Asset Into a Bucket

Pick three crypto assets you have actually heard of and place each into the right category. The goal is the habit of sorting before judging, so a meme coin and a backed stablecoin never get treated as the same kind of risk.

Asset 1 name and bucket (coin, token, stablecoin, NFT, meme coin)

Asset 1: which blockchain does it run on, and which coin pays its fees?

Asset 2 name and bucket

Asset 2: what is it actually FOR, in one sentence?

Asset 3 name and bucket

Asset 3: is its value backed by something, driven by attention, or unclear?

Checklist: Concept Readiness Check

- I can explain who keeps the ledger and what rules govern it for Bitcoin and for Ethereum
- I understand that most blockchains are PUBLIC, not anonymous, and transactions are permanent
- I can name the difference between a coin and a token without looking it up
- I accept the honest base rate that most tokens lose most of their value and many disappear
- I can state at least one real problem a blockchain solves AND one cost it imposes

Wallets, Keys, and Custody

Decide who holds your keys, choose storage that matches the amount, and lock in safe sending habits before any real transfer.

Worksheet: Choose Your Custody Plan

Decide deliberately how you would hold crypto if you held any. Match the tool to the amount and purpose, and write down the reasoning so a future impulse cannot quietly override it.

Largest amount I would ever hold, and is that small enough to lose without changing my life?

Where small, actively used amounts will live (e.g. reputable exchange or a hot wallet)

Where larger, long-term holdings will live (e.g. a hardware wallet bought new from the maker)

Exact plan for storing the seed phrase (medium, and two separate physical locations)

One sentence on why this split between custodial and self-custody fits my situation

Checklist: Seed Phrase Safety Rules

- I will write the seed phrase by hand on paper or steel, never type it into any website, photo, chat, or cloud
- I will store at least two copies in separate locations so one fire, flood, or theft cannot wipe it out
- I understand that anyone with my seed phrase can drain my wallet instantly from anywhere
- I will NEVER share my seed phrase, because no legitimate company or support agent ever asks for it
- I have a hardware wallet plan for any holding I consider meaningful, bought direct to avoid tampering

Exercise: Read a Real Transaction on a Block Explorer

Using a public block explorer such as Etherscan for Ethereum or mempool.space for Bitcoin, look up any well-known public address or recent transaction. This builds the habit of verifying on-chain reality instead of trusting screenshots.

- What was the amount transferred, and what fee did the sender pay?

- How many confirmations does the transaction now have, and what does that mean?

- Can you find the full transaction history and current balance of the address involved?

- How could you use this same tool to sanity-check an address before trusting it?

Checklist: Safe-Sending Pre-Flight

- I will copy addresses, never retype them by hand, since one wrong character loses funds forever
- I will confirm the network matches on both the sending and receiving end before sending
- I will send a tiny test amount first for any large or first-time transfer and confirm it arrives
- I will wait for the required confirmations and verify the received amount on a block explorer
- I accept that sends are FINAL with no chargeback, so double-checking is my only insurance

Risks, Scams, and Red Flags

Set a hard exposure limit, memorize the named scams, and build the records that keep you out of trouble at tax time.

Worksheet: Set Your Hard Risk Ceiling

Decide your limits before any excitement, while you are calm. The discipline of a written ceiling is what keeps a bad outcome survivable rather than ruinous.

Is my emergency fund in place and my high-interest debt under control before any crypto?

Maximum total crypto exposure as a fixed dollar amount or share of savings I could lose entirely

Confirmation in writing that this money is genuine surplus, not rent, food, or essentials

How I will feel and what I will do if this amount falls 70 percent or more (it can)

Date I set this ceiling, so I can notice if a future narrative tempts me to raise it

Exercise: Name the Con

For each scenario, name which scam it most resembles from the course and list the warning signs present. Practicing naming the con while it happens removes most of its power.

- A stranger you met on a dating app over several weeks now urges you to invest on a platform they recommend.
 - A post using a celebrity's name promises to double any crypto you send to an address.
 - Someone claiming to be wallet support asks for your seed phrase to fix a problem.
 - A brand-new token is being hyped hard by anonymous accounts promising it will moon.
-

Checklist: Universal Scam Stop-Rules

- I will treat any guaranteed or unusually high return as a definite warning sign, not an opportunity
- I will pause whenever I feel urgency, because scammers engineer urgency to stop me thinking
- I will never share a seed phrase or grant remote access, treating any such request as confirmed fraud
- I will never send crypto first to receive more back, no matter how the offer is framed
- I will verify any contact through an official channel I look up myself, never a link or number they give me

Worksheet: Plan Your Record-Keeping

Crypto is usually taxable as property in places like the US and Canada, and the blockchain remembers everything. Decide now how you will keep simple records so a year-end nightmare becomes a routine. This is not tax advice; confirm rules for where you live.

Tool I will use to log transactions (a spreadsheet, or named crypto tax software)

Which events I will record: buys, sells, coin-to-coin trades, purchases, and wallet-to-wallet transfers

How I will capture local-currency value at the moment of each transaction

Where I will keep proof that transfers between my own wallets were not sales

When I will confirm the specific tax rules for my country, ideally with a qualified professional

Evaluating Crypto Claims Like a Skeptic

Lock in a repeatable due-diligence process and write the personal crypto policy that governs every future decision.

Exercise: Run a Real Project Through the Checklist

Pick any coin or project you have heard about and answer each question honestly using neutral sources like a block explorer and CoinGecko, not the project's own marketing. Evasive or missing answers across several questions should stop you cold.

- What problem does it actually solve, and why does it need a blockchain rather than a database?
- Who is the team, and are they publicly identifiable with real track records or fully anonymous?
- How does the token earn value beyond the hope someone pays more later, and who controls the supply?
- What does the competition look like, including whether Bitcoin or Ethereum already does this well enough?

Checklist: Hype-Resistance Habits

- I will ask what the person making any claim stands to gain before I believe it
- I will separate the asset from the story, remembering a rising price is not proof a project is good
- I will distrust pitches built mainly on price charts and testimonials rather than what the thing does
- I will use a cooling-off period, such as 72 hours, before acting on anything triggering fear of missing out
- I will prefer educational, explanatory sources over channels that mainly sell excitement

Worksheet: Write Your Personal Crypto Policy

Pull the whole course into one short written policy you can re-read before acting. Deciding that crypto is not for you right now is a valid, complete answer to this worksheet.

My hard ceiling for total crypto exposure (a fixed amount I could lose without it changing my life)

What I will hold and why (e.g. only the largest established assets, or nothing at all)

My custody rules (small amounts where, larger holdings where)

My required process before any purchase (due-diligence checklist plus cooling-off period)

My non-negotiable scam rules (never share a seed phrase, never act under urgency, always verify officially)

Your Action Plan

1. Write your one-sentence definitions of blockchain, Bitcoin, Ethereum, and stablecoin, and re-read the module for any you cannot answer cleanly.
2. Decide and write down whether crypto fits you at all right now; a clear no is a complete, valid outcome.
3. If continuing, set a hard exposure ceiling as a fixed amount you could lose entirely without changing your life, and confirm your emergency fund and debt come first.
4. Choose your custody plan: where small active amounts live versus where any larger, long-term

holdings would live.

5. Write your seed phrase storage plan now, even before owning any: by-hand backup, two separate locations, never digital.

6. Practice reading one real transaction on a block explorer such as Etherscan or mempool.space until fees and confirmations make sense.

7. Memorize the named scams and the universal stop-rules, especially never sharing a seed phrase and never acting under urgency.

8. Set up your transaction record-keeping tool and log every event from day one, and confirm the tax rules for your country.

9. Run at least one project all the way through the due-diligence checklist using neutral sources, even if you decide not to invest.

10. Complete your written crypto policy, save it where you will see it, and commit to re-reading it before any future purchase.

