

# Ethereum - DApp

Alessandro Maccagnan



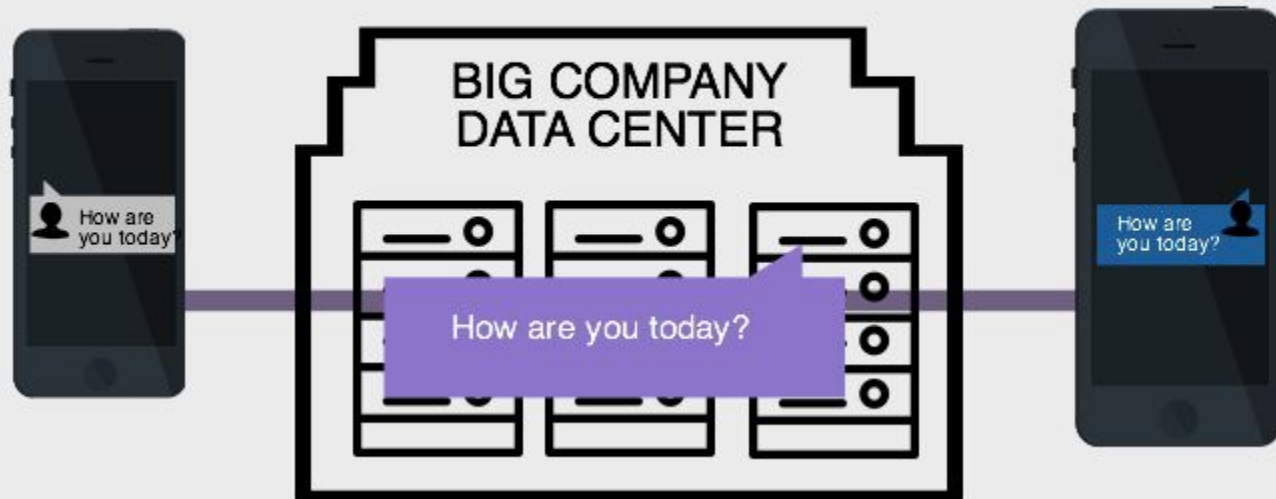
Red Babel

**"Ethereum is a network of computers that make a new type of apps possible"**

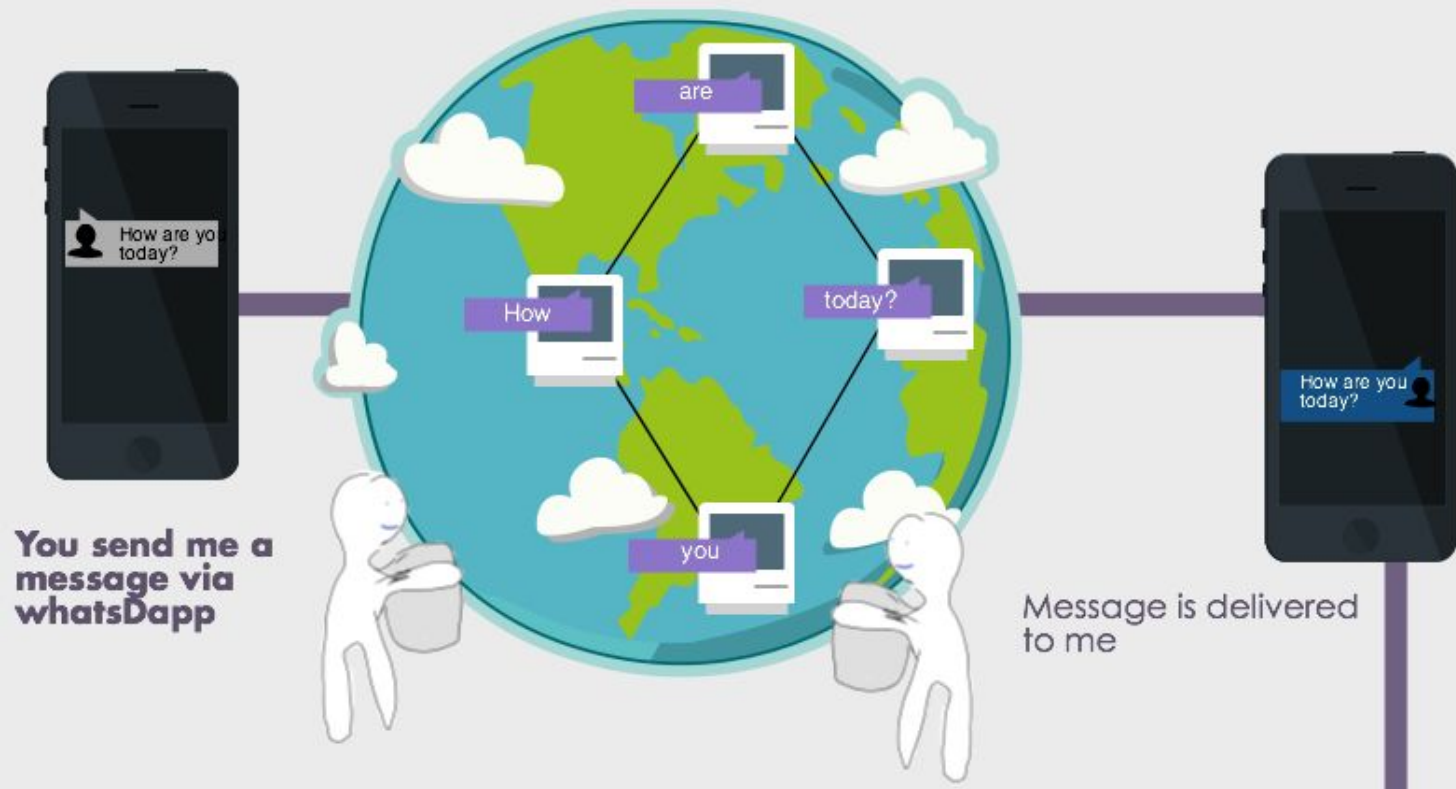


<https://medium.com/@angelomilan/ethereum-explained-to-my-mom-infographic-673e32054c1c>

## The old way with a regular App



# The ethereum way with a dApp = decentralized App



# Every participating computer receives a reward for their work

because they paid for hardware, electricity and shared their processing power



they don't get  
dollars



but a digital asset  
called **ETHER**

Ether is the fuel that  
makes dApps run. Like  
gas makes your car run.

## How can I use this "Ether" ?

**Computer owners  
may want to  
monetize their work  
and sell ether for  
real dollars**

**EXCHANGE**

**dApp Developers  
need Ether to run  
their dapps on the  
Ethereum network  
and want to buy  
some ETH for real  
dollars**

Distributed database

plus

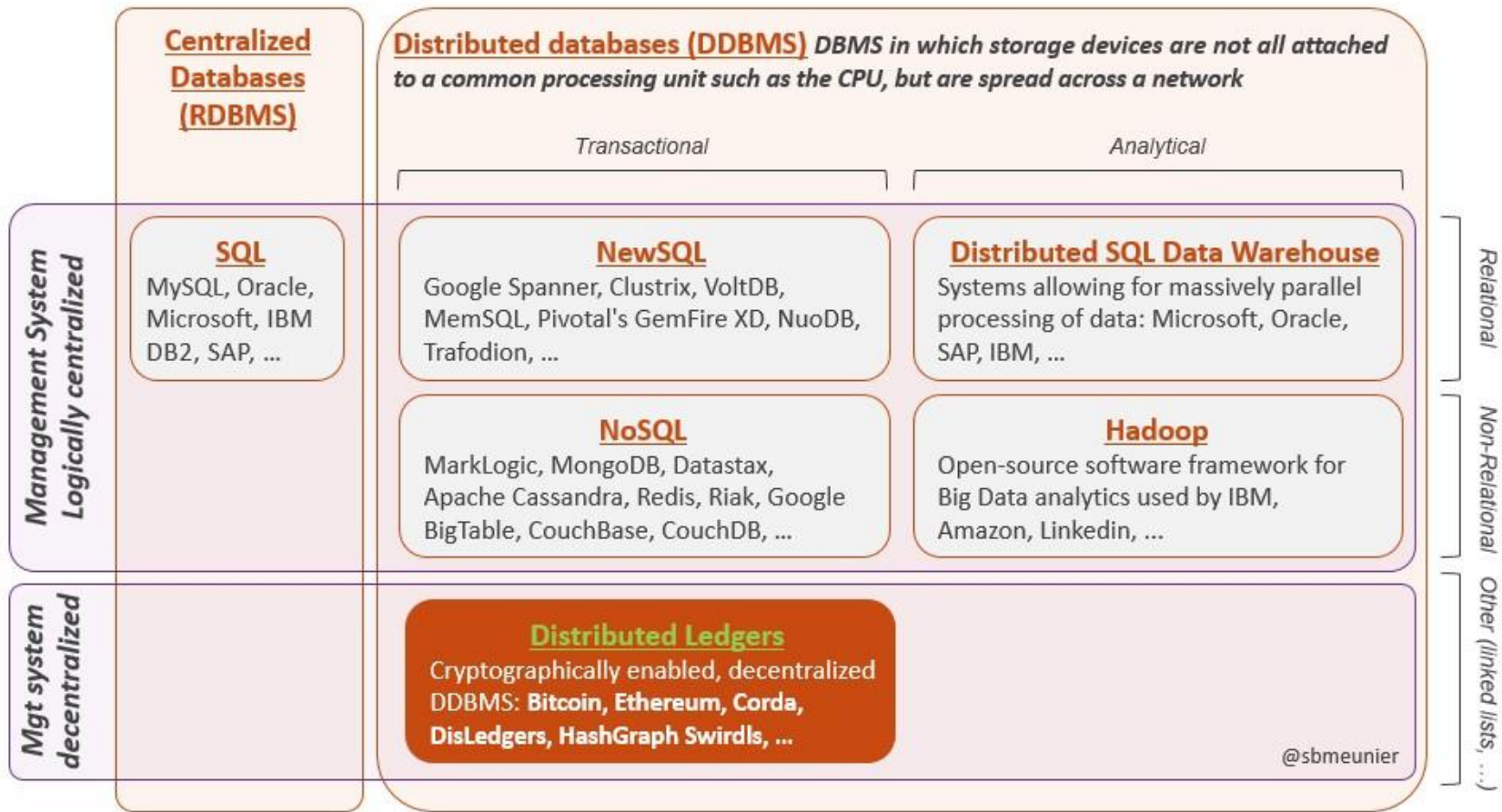
Stored procedures

(almost) equal

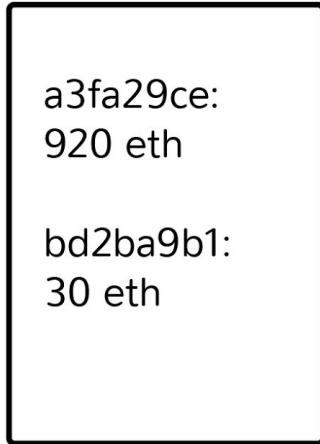
Ethereum



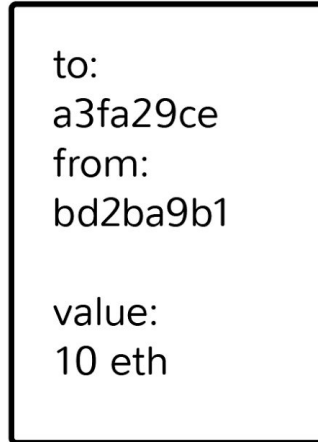
# Distributed database



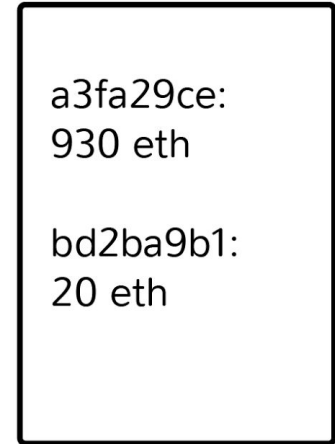
Previous State

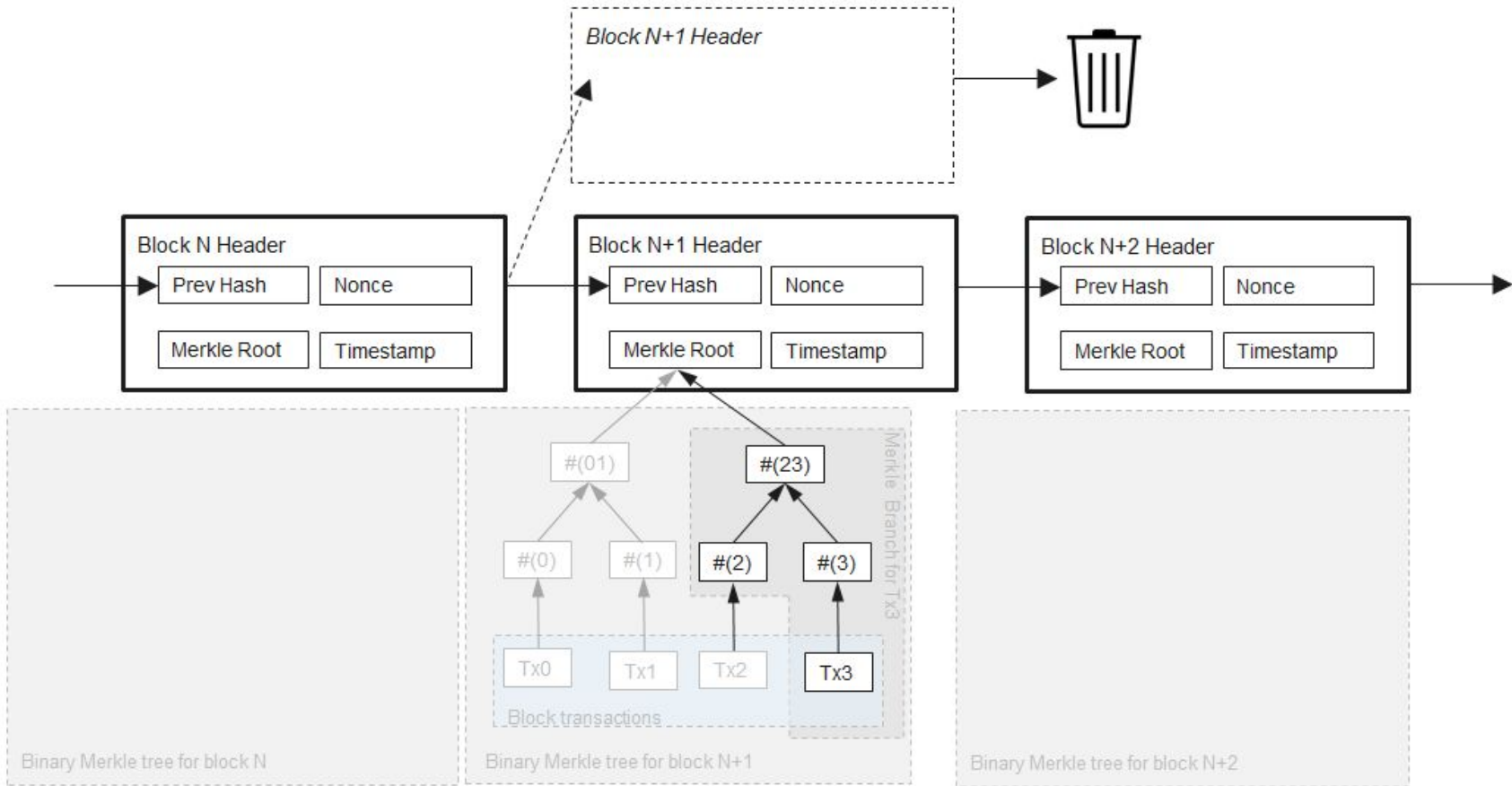


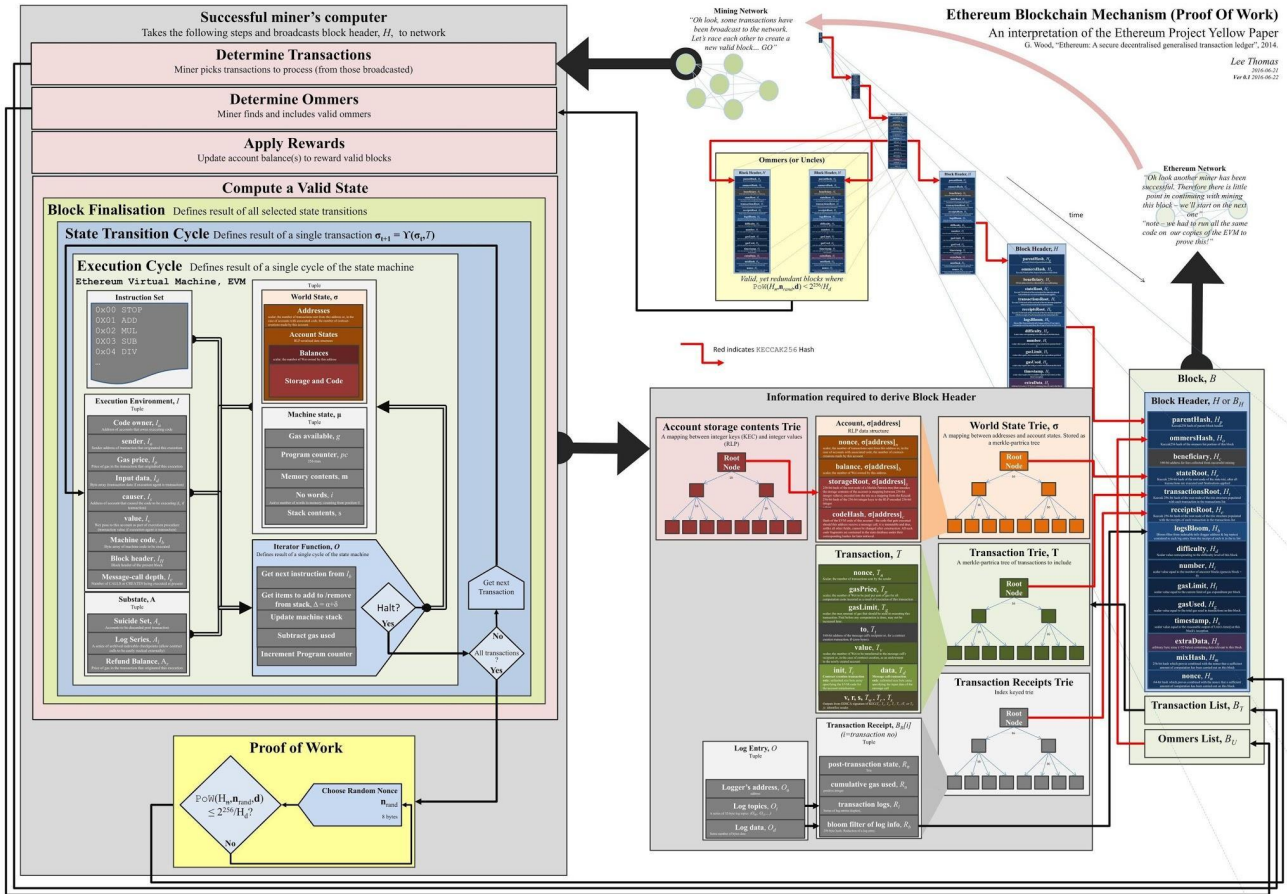
Transaction



Next State







depending on whether the transaction is for contract-creation or message-call.  $G_{\text{txcreate}}$  is added if the transaction is contract-creating, but not if a result of EVM-code.  $G$  is fully defined in Appendix G.

The up-front cost  $v_0$  is calculated as:

$$(63) \quad v_0 \equiv T_g T_p + T_v$$

The validity is determined as:

$$(64) \quad \begin{aligned} S(T) &\neq \emptyset \wedge \\ \sigma[S(T)] &\neq \emptyset \wedge \\ T_n &= \sigma[S(T)]_n \wedge \\ g_0 &\leq T_g \wedge \\ v_0 &\leq \sigma[S(T)]_b \wedge \\ T_g &\leq B_{Hl} - \ell(B_{\mathbf{R}})_u \end{aligned}$$

Note the final condition; the sum of the transaction's gas limit,  $T_g$ , and the gas utilised in this block prior, given by  $\ell(B_{\mathbf{R}})_u$ , must be no greater than the block's **gasLimit**,  $B_{Hl}$ .

The execution of a valid transaction begins with an irrevocable change made to the state: the nonce of the account of the sender,  $S(T)$ , is incremented by one and the balance is reduced by part of the up-front cost,  $T_g T_p$ . The gas available for the proceeding computation,  $g$ , is defined as  $T_g - g_0$ . The computation, whether contract creation or a message call, results in an eventual state (which may legally be equivalent to the current state), the change to which is deterministic and never invalid: there can be no invalid transactions from this point.

We define the checkpoint state  $\sigma_0$ :

$$(65) \quad \sigma_0 \equiv \sigma \text{ except:}$$

$$(66) \quad \sigma_0[S(T)]_b \equiv \sigma[S(T)]_b - T_g T_p$$

$$(67) \quad \sigma_0[S(T)]_n \equiv \sigma[S(T)]_n + 1$$

The total refundable amount is the legitimately remaining gas  $g'$ , added to  $A_r$ , with the latter component being capped up to a maximum of half (rounded down) of the total amount used  $T_g - g'$ .

The Ether for the gas is given to the miner, whose address is specified as the beneficiary of the present block  $B$ . So we define the pre-final state  $\sigma^*$  in terms of the provisional state  $\sigma_P$ :

$$(71) \quad \sigma^* \equiv \sigma_P \text{ except}$$

$$(72) \quad \sigma^*[S(T)]_b \equiv \sigma_P[S(T)]_b + g^* T_p$$

$$(73) \quad \sigma^*[m]_b \equiv \sigma_P[m]_b + (T_g - g^*) T_p$$

$$(74) \quad m \equiv B_{Hc}$$

The final state,  $\sigma'$ , is reached after deleting all accounts that appear in the self-destruct set:

$$(75) \quad \sigma' \equiv \sigma^* \text{ except}$$

$$(76) \quad \forall i \in A_s : \sigma'[i] \equiv \emptyset$$

And finally, we specify  $\Upsilon^g$ , the total gas used in this transaction and  $\Upsilon^1$ , the logs created by this transaction:

$$(77) \quad \Upsilon^g(\sigma, T) \equiv T_g - g'$$

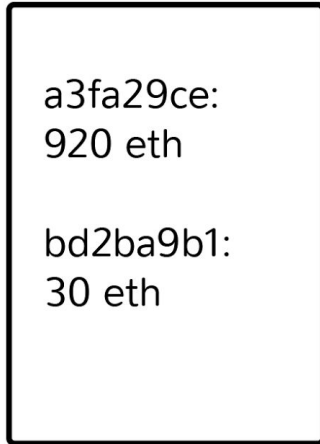
$$(78) \quad \Upsilon^1(\sigma, T) \equiv A_l$$

These are used to help define the transaction receipt, discussed later.

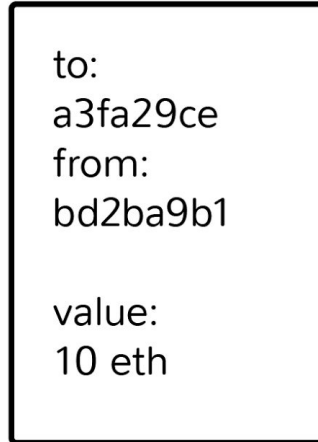
## 7. CONTRACT CREATION

There are a number of intrinsic parameters used when creating an account: sender ( $s$ ), original transactor ( $o$ ), available gas ( $g$ ), gas price ( $p$ ), endowment ( $v$ ) together with an arbitrary length byte array,  $\mathbf{i}$ , the initialisation EVM code and finally the present depth of the message-

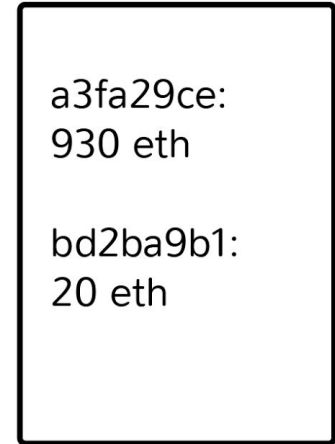
Previous State



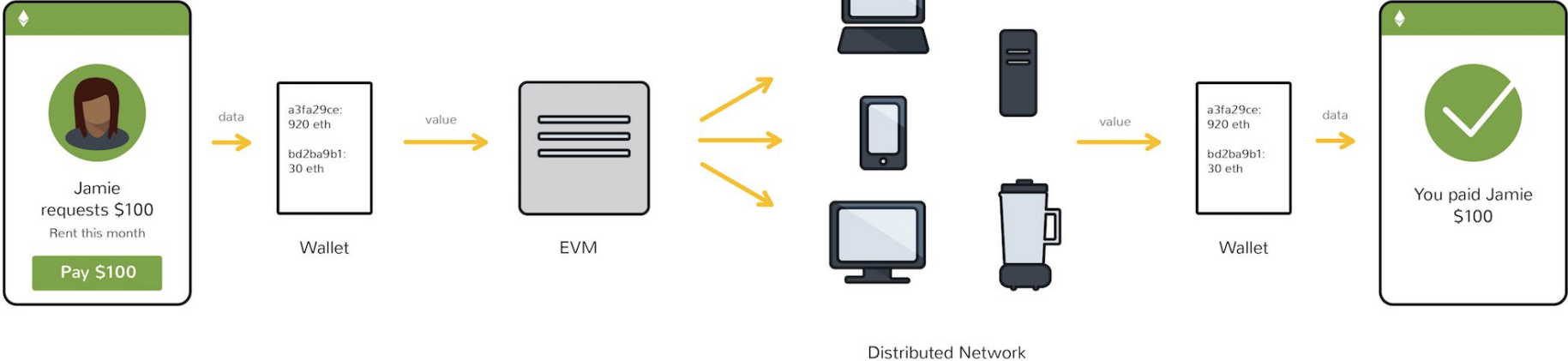
Transaction



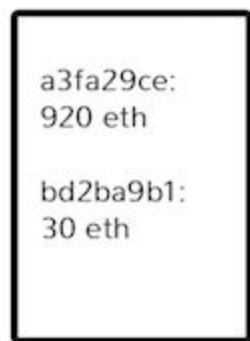
Next State



# Ethereum App



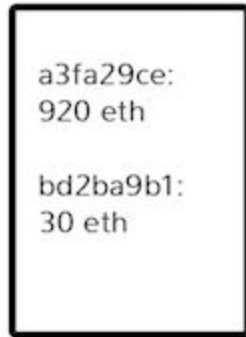




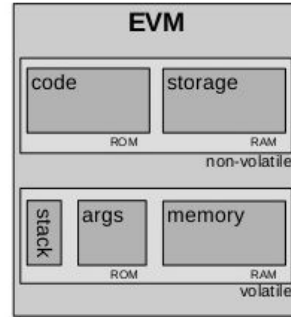
Wallet



EVM



Wallet



EVM

<https://www.slideshare.net/aeronbuchanan/september-ethereum>

Ethereum's basic unit is the account. The Ethereum blockchain tracks the state of every account, and all state transitions on the Ethereum blockchain are transfers of value and information between accounts. There are two types of accounts:

- Externally Owned Accounts (EOAs), which are controlled by private keys
- Contract Accounts, which are controlled by their contract code and can only be “activated” by an EOA

<http://ethdocs.org/en/latest/introduction/what-is-ethereum.html#how-does-ethereum-work>

Ethereum's basic unit is the account. The Ethereum blockchain tracks the state of every account, and all state **transitions** on the Ethereum blockchain are transfers of **value** and **information** between **accounts**. There are two types of accounts:

- Externally Owned Accounts (EOAs), which are controlled by private keys
- Contract Accounts, which are controlled by their contract code and can only be “activated” by an EOA

Ethereum's basic unit is the account. The Ethereum blockchain tracks the state of every account, and all state transitions on the Ethereum blockchain are transfers of value and information between accounts. There are **two types** of accounts:

- Externally Owned **Accounts** (EOAs), which are controlled by private keys
- **Contract** Accounts, which are controlled by their contract code and can only be “activated” by an EOA

Ethereum's basic unit is the account. The Ethereum blockchain tracks the state of every account, and all state **transitions** on the Ethereum blockchain are transfers of value and information between accounts. There are two types of accounts:

- Externally Owned **Accounts** (EOAs), which are controlled by private keys
- **Contract** Accounts, which are controlled by their contract code and can only be “activated” by an EOA

Distributed database

plus

Stored procedures

(almost) equal

Ethereum

# Stored procedures



## What is a smart contract?

**A smart contract is code that runs on the EVM.** Smart contracts can accept and store ether, data, or a combination of both. Then, using the logic programmed into the contract, it can distribute that ether to other accounts or even other smart contracts.

<http://truffleframework.com/tutorials/ethereum-overview>



# Ethereum Solidity

Solidity is designed to compile to code -  
for the Ethereum Virtual Machine.

Distributed database

plus

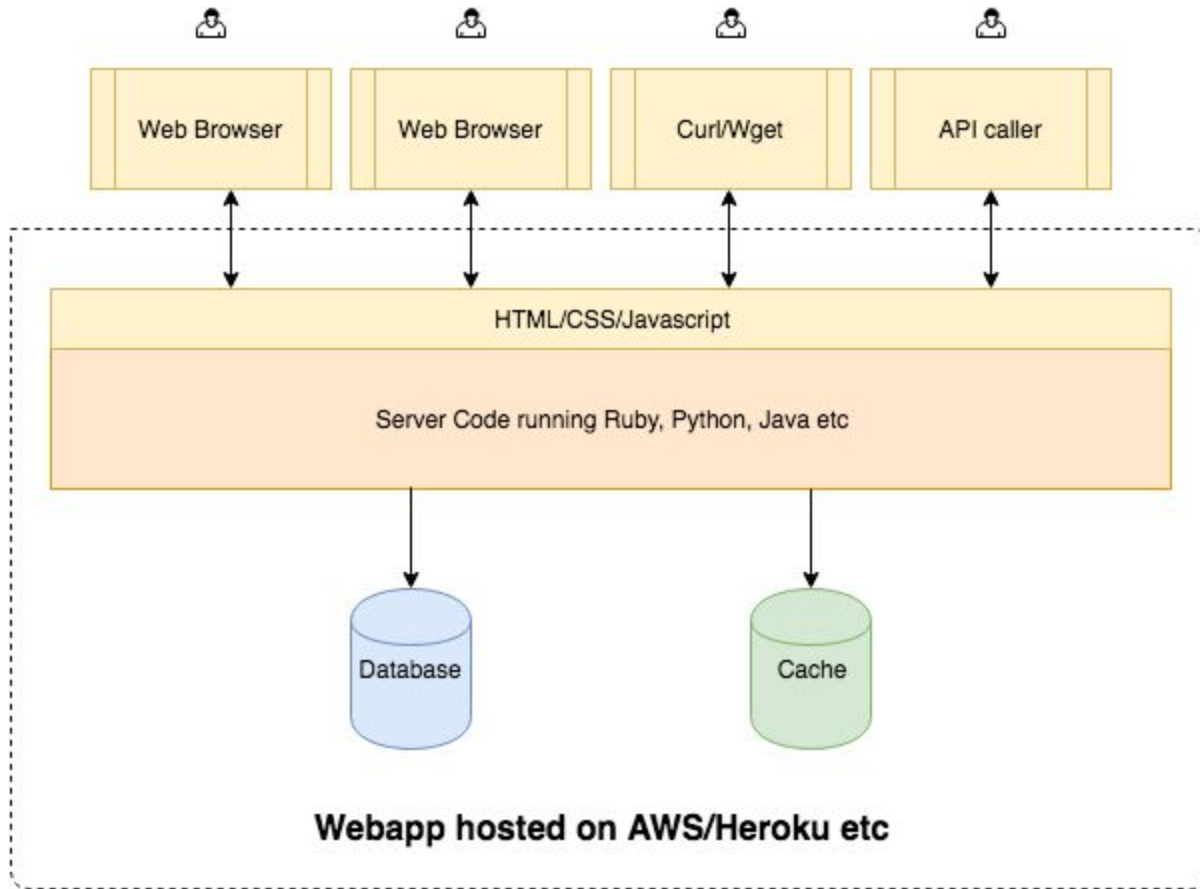
Stored procedures

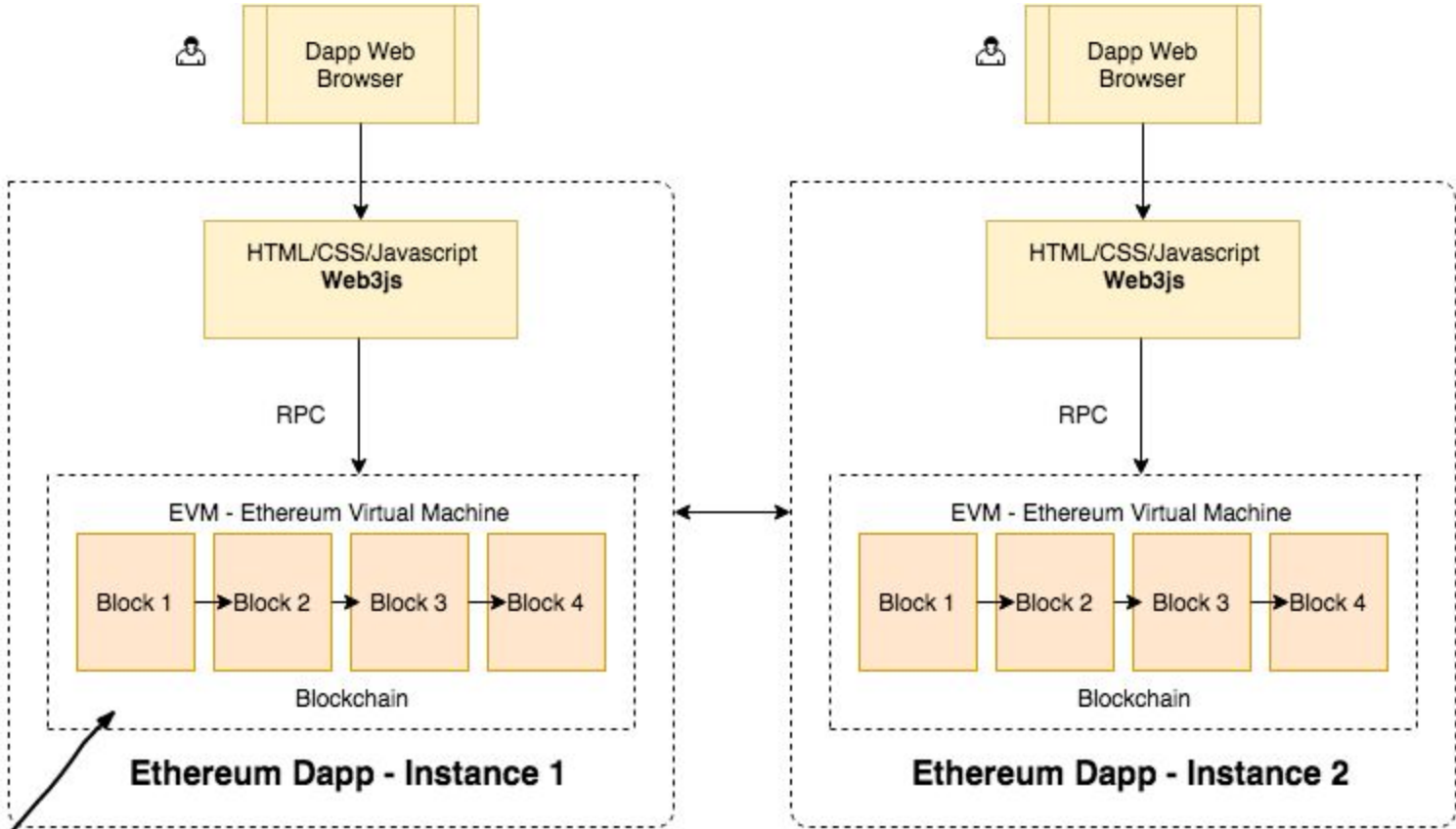
(almost) equal

Ethereum

Blockchain  
plus  
Stored procedures  
(almost) equal  
Ethereum

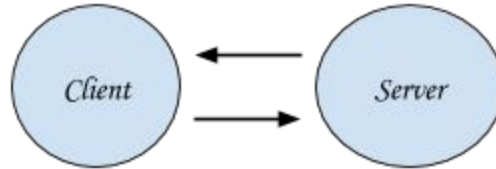
Blockchain  
plus  
Smart contracts  
(almost) equal  
Ethereum



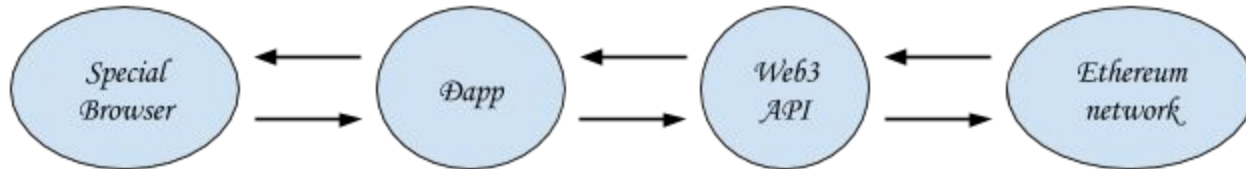


Replaces the database/cache and server code

## *Traditional Web App*

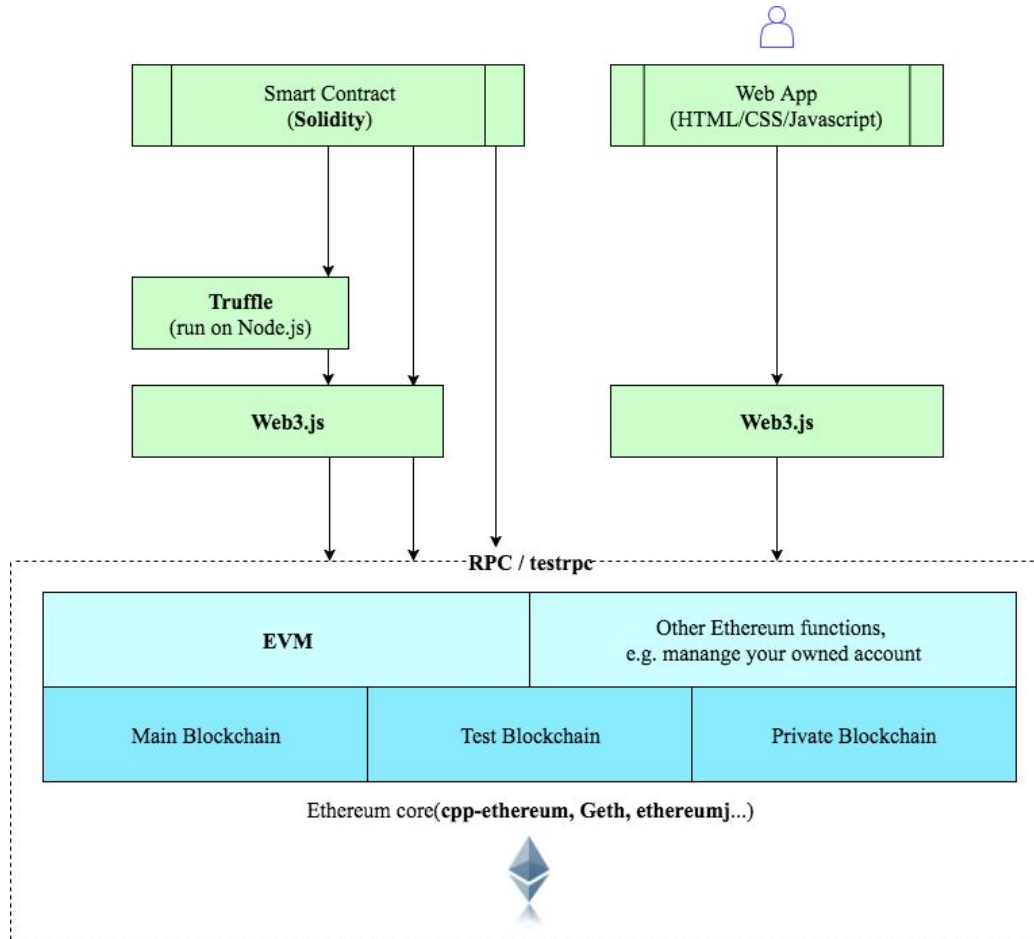


## *Web3 Dapp*



<http://tyleryasaka.me/blog/2017/01/14/ethereum-dapps.html>



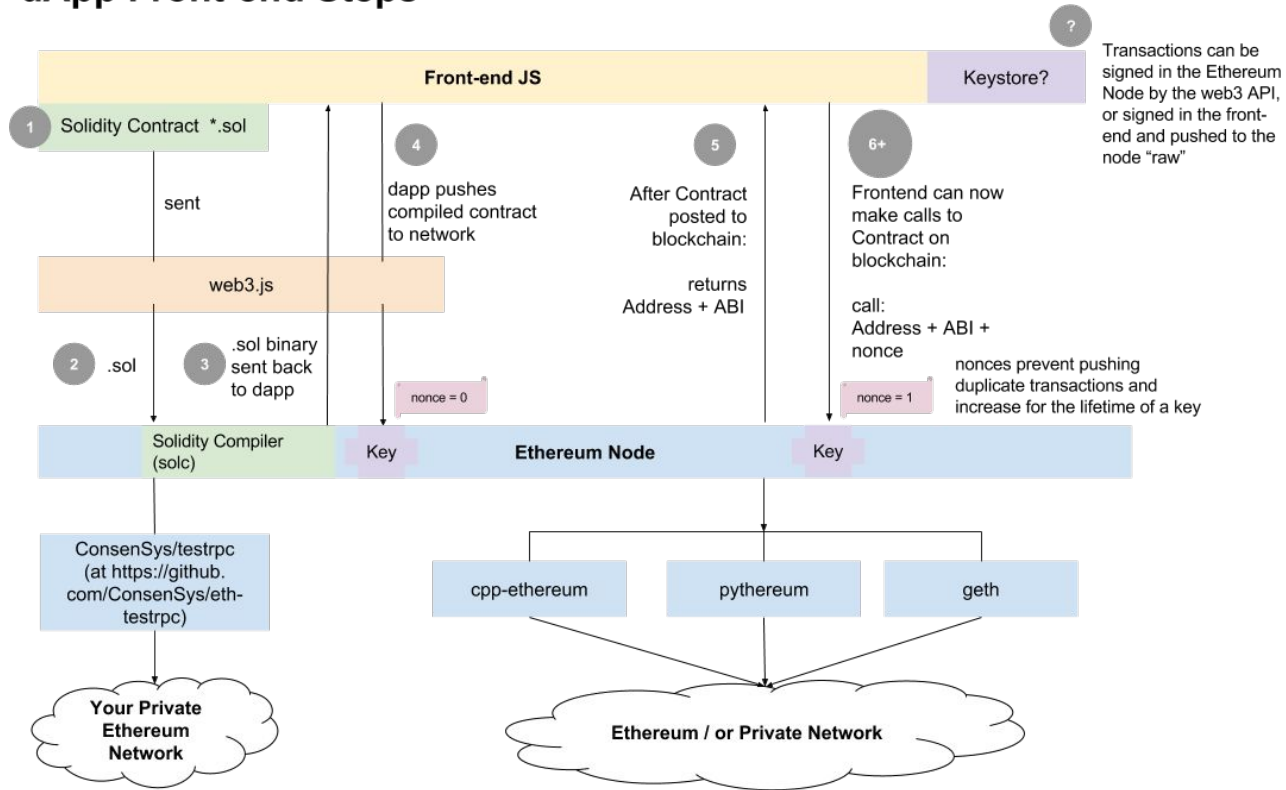


Mist/Parity (browsers)

Metamask (Chrome extension)

Infura (public node)

# dApp Front-end Steps

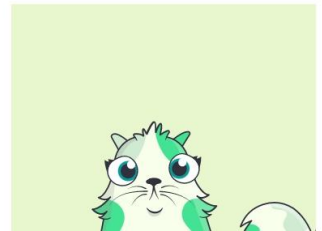
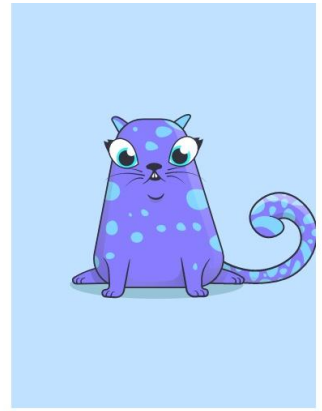
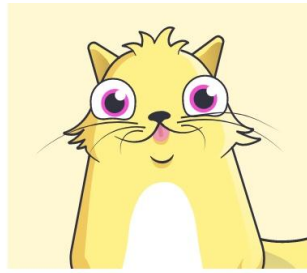
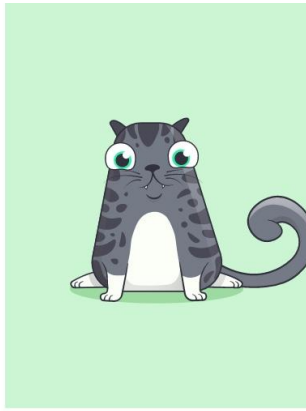


A **Contract Creation Transaction** is shown in steps 1-5 at above.

An **Ether Transfer** or **Function Call Transaction** is assumed in step 6.



# CryptoKitties



<https://stampery.com>

<https://kyc-chain.com>

<https://www.augur.net>

<http://www.bspend.com/playeth>