



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore – 641 107

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Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai

DEPARTMENT OF COMPUTER SCIENCE AND ENGINEERING

COURSE NAME: 190E202-Blockchain Technology

IV YEAR /VIII SEMESTER

Unit III- ETHEREUM

Topic : Decentralized Autonomous Organizations





Definition



- DAO stands for Decentralized Autonomous Organization.
- A decentralized autonomous organization is decentralized, autonomous, and an organization.
- It is a whole organization that is automated.
- It stores rules and processes in code.
- DAOs are often stateless and distributed over millions of computers.
- No single government could decide to take it down.



Components of DAO

No central legal entity:

In DAO, there is no central legal entity, this means that no single entity is responsible for regulating the project.

Self-enforcing code:

Smart contracts are created and extensively tested to make sure important details are not overlooked.

Token acts as an incentive for validators:

Tokens are used in DAO for validators to motivate them and to ensure active, fair, and quick participation.



Steps for Launching a DAO

Smart Contract Creation:

- In this step, a developer or a group of developers create a [smart contract](#) behind the DAO.

Funding:

- After smart contracts are created and launched, the DAO needs to determine a way to receive funding. Sometimes, the tokens are sold to raise funds.
- These tokens give holders voting rights.

Deployment:

- Once everything is set up and on track, the DAO needs to be deployed on the blockchain.
- From this point onwards, stakeholders decide the future of the organization.
- The developers who created the smart contracts, no longer influence the project.

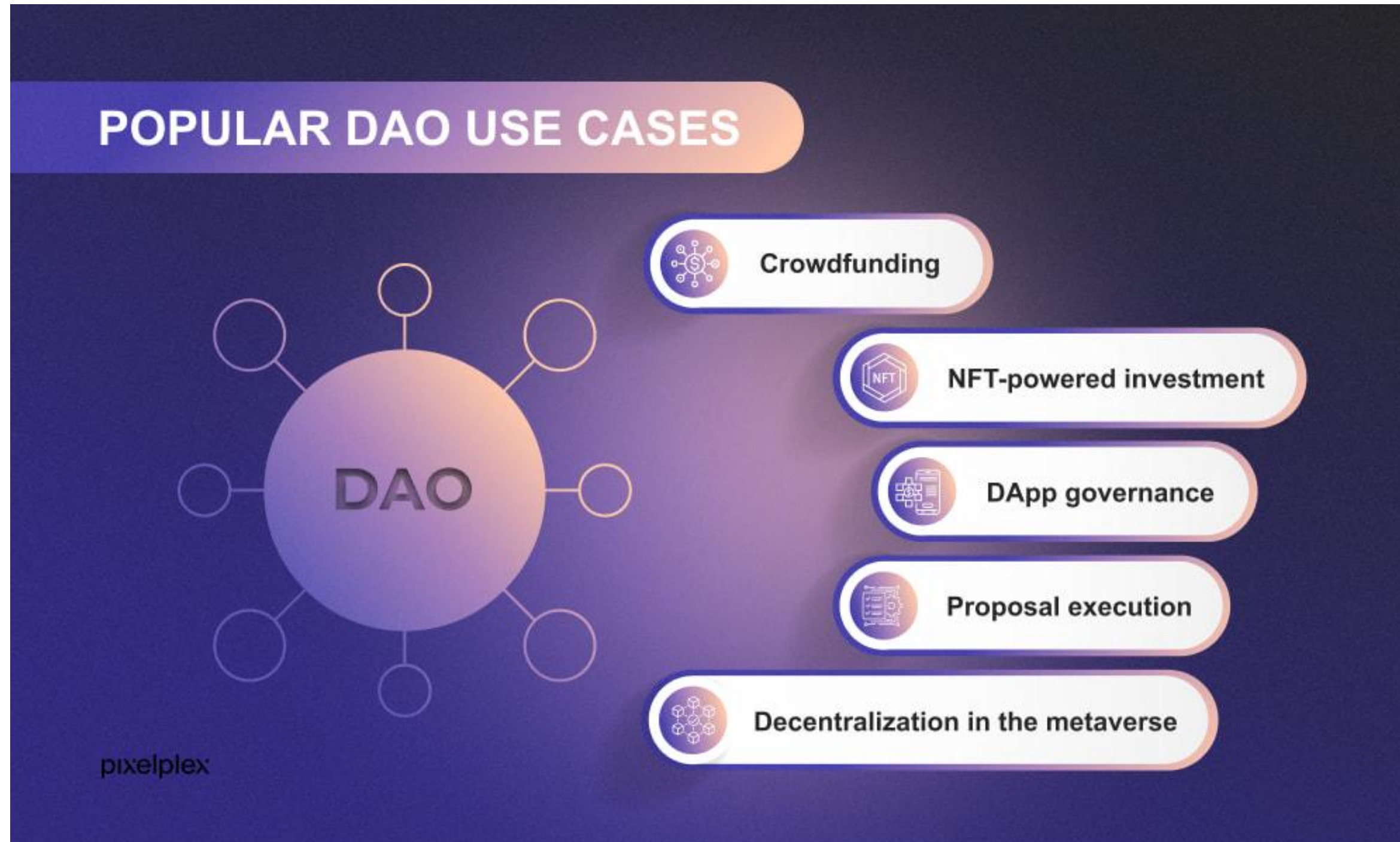


Steps for Launching a DAO





Popular DAO Usecases





Advantages of DAOs



Decentralization

Community Driven

Principle-agent dilemma



Disadvantages of DAOs





Assessment 1





References



TEXT BOOKS

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2. Imran Bashir, "Mastering Blockchain: Distributed Ledger Technology, Decentralization and Smart Contracts Explained", Second Edition, Packt Publishing, 2018.
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3. Arvind Narayanan, "Bitcoin and Cryptocurrency Technologies: A Comprehensive Introduction", Princeton University Press, July 19, 2016.
4. Henning Diedrich, Ethereum: Block chains, Digital Assets, Smart Contracts, Decentralized Autonomous Organizations-2016

Thank You