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**Answer 1:** International trade helps people become more wealthier and better off.

For a government in order to promote international trade they may choose to offer subsidies to the organizations that will either export or import for example the government may offer subsidies to companies that manufacture products locally but export and sell them overseas.

While some other times the government may also offer subsidies to organizations that make products overseas and import them into your country only if the government feels like this product is beneficial for the economic prosperity of country. If a government wants to improve the global presence of a local company that lets say are refrigerator manufacturers and you just sort of feel like your competitors from other countries are more advanced than you in this said area , but you still want them to have a presence of some sort on that global arena , you still want them to be able to sell products overseas and bring the much needed cash back into the country in that case you will offer them subsidies , and tell them well if you export one unit I will give you 15 dollars for each unit that you successfully export. However this general principle does not fully explain why nations import and export what they do. Such decisions hinge among other things on whether if a country enjoys an absolute or comparative advantage in the production of different goods and services.

Anyhow the government should choose wisely that whether this said company deserves my subsidy or not because this subsidy is actually taxpayer’s money, there might be better companies that are more deserving and efficient than this current company in whom you are putting a lot of faith that they will be able to pull it off.

Pakistan is one of the biggest exporter of mainly textile products , the US is the top destination for Pakistani exports which mainly comprises of textiles. However the share of foreign trade in Pakistan’s GDP continues to be low at 29%.Apart from US Pakistan also exports its textile products to China, UK, Afghanistan and Germany. China is one of the largest supplier of goods and services in Pakistan followed by UAE, SAUDI ARABIA, US and Indonesia .The free trade agreement with China is damaging and harmful for Pakistani manufacturing exports, which have declined continuously in the recent years and domestic businesses worry that the completion of this CPEC will further give an increase to the share of china’s products in the local market.

Our trade structure remains in deficit with exports always sluggish, and there is a low global demand for Pakistani crops.

In Pakistan as of today the imports are exceeding the exports which is damaging our economy with every passing day and there is a huge imbalance of payments.

**Answer 2:** The world economy is becoming globalized and more and more companies are conducting international operations. However this route is not appropriate for every firm. For example companies that buy and sell fresh products and fish may find it more profitable to limit their activities to limited geographic areas. Storage and transportation costs may be too high to make the operation worthwhile.

Apart from that the main reason for businesses going global are as under.

The obvious one would be to expand markets and increase sales. Companies need to make a profit they basically exist to make more profit from time to time and just kind of increase their turnover and overall market share.

Going global or international should lead to increased sales and profits. You shouldn’t just expand to a region where your overall production cost is $100000 and the overall profit turnover is less than the expenses incurred. So it’s very important to bare that in your mind to only expand to a region where there is a guarantee of increased sales and profits.

Another interesting side benefit for this is that you have the potential for creating some sort of other side benefit for the communities. When you expand to another part of the world one real benefit is that you are providing jobs for the needy people on that other part of the world , so that is something which is very beneficial for the unemployed people of those countries in which you are planning to expand.

**Factors for influencing the decision of global expansion:**

Sociocultural factors should be taken into consideration before expanding to a particular region.

Consumer lifestyles , beliefs and values.

A liquor company will never expand to a Muslim country because it’s forbidden in our religion.

Demographic characteristics are also a major factor before expanding. Population size and age needs to be considered before expanding.

Apart from that the climate also plays a vital role in your international expansion.

For example if a local company in Canada decide to go global, and they are long coat manufacturers , than this company will never expand to hot regions of Asia or any other particular region where the overall course of the weather is hot and humid.

The political and legal factors also needs to be taken into account , just to find out that what is the overall Government attitude towards a global trade , so the overall stability (political) of a region matters a lot and it is something which needs to be considered before deciding to enter that region.

Economic factors will also influence your decision for example Lamborghini will never enter the Pakistani region or any other 3rd world country where the per capita income is very low and purchasing power of people is also very limited.

Going global is a very huge and massive task because for every region that you are planning to enter all of the above mentioned factors needs to be considered separately.

**Answer 3:** The Government in the US structures the economy in enormous ways, whether it be establishing Law and Order , Establishing rules of property , Governing Rules of Exchange , Setting Market Standards , Providing public goods or creating a Labor Force.

Most of us will agree that the first and foremost role of the government will be to establish law and order. This concept of law and order goes way back as far as the enlightenment and Thomas Hobbes. Maintaining law and order provides predictability for businesses and safety and security , so that they can buy and sell goods freely without worrying about that a burglar or a thief will steal my things and affect my business eventually. And the government not just maintain law and order they also create a legal system that if you steal something you are punishable upto one or two years or whatever your legal system of the country says about the number of years for different frauds committed , business owners should feel safe , maintaining law and order also encourages foreign investments in your country only if you have created a safer environment. These things affect businesses a lot. For instance the implementation of law and order in Pakistan is not very thorough as compared to the European countries or other western countries. Businesses (Local) in Pakistan do not feel very safe as compared to other countries , there is always a risk of theft . Iam not saying that these robberies and thefts only take place in Pakistan , these things happen on a global scale but other countries take decisive actions against such unjust activities , while in Pakistan if you have money you might kill someone God forbid and get away with it without any trouble , just bribe the judges and lawyers and off you go.

In the US there are rules of exchange for businesses, for example in states like Indiana there are some certain days identified by the government that you cannot sell alcohol on these given days , while there are some other states where there is a complete ban on selling alcohol. If these liquor stores do not abide by the law they will be subject to a fine or they could even be sentenced for 6 months and so on.

Setting up market standards also plays a pivotal role in economy and positively affects businesses, and not just businesses its also very beneficial for consumers, for example if iam a car manufacturer , the government have set up a benchmark that this car should be an eco friendly car it should not pollute environment , while back in the day there were no such laws that abided the car manufacturers to produce cars of such sort that will not pollute the environment. But as of today same is not the case. It’s all about the implementation and enforcement of laws , that’s how you become a prosperous nation.