

ECONOMIC TEXT

Globalization refers to the increasing economic integration between countries leading to the emergence of a global market place to a single market, where countries are becoming increasingly linked by common technologies and the customization of goods and services marketed and distributed on a global rather than national base.

Gross World Product is defined as the total market value of goods and services produced by all countries at a given time.

Futures of Globalization

- Increased trade in goods and services between nations, leading to an increase in World Gross Product.
- The integration of national financial systems to create a world system.
- Technology plays a greater role in linking trade between nations.
- Internationalization of labour.
- Rapid liberalization of the global trading environment.
- Increasing importance of TNC, where increasing conducting trade and investment across national boundaries.
- Increased importance of global originations eg. WTO, IMF.

The main drivers of globalization are technology, economic liberalization and consumerism.

The major cost of globalization is that lack of international controls over capital investments which can lead to destabilizing speculation and the volatility of short term capital flow. This has lead to the increased scope for contagion where a crisis in one financial market or economy spreads to others causing regional and even global stability eg. The Asian financial crisis in 1997.

FINANCIAL TEXT

Stocks Fall as Spanish Yields, French Risk Climb

By Stephen Kirkland - Nov 15, 2011 2:47 PM GMT+0100

Stocks fell for a second day, U.S. index futures retreated and the euro weakened as the cost of insuring French bonds climbed to a record and Spanish yields rose at an auction. Copper declined while Treasuries and German bunds advanced.

The Stoxx [Europe](#) 600 Index sank 0.6 percent at 8:45 a.m. in [New York](#). Standard & Poor's 500 Index futures lost 0.6 percent, trimming declines after retail sales increased more forecast. The euro depreciated 0.7 percent to \$1.3539 and the Dollar Index added 0.4 percent. The yield on French 10-year bonds climbed to a euro-era record relative to benchmark German bunds, as did [Belgium](#)'s and Spain's. The 10-year U.S. Treasury yield declined four basis points. Copper fell 0.8 percent.

Spain sold 3.16 billion euros (\$4.3 billion) of 12-month and 18-month bills, compared with a maximum target of 3.5 billion euros, the Bank of Spain said. [Mario Monti](#), [Italy](#)'s premier-in-waiting, faced political resistance on forming a Cabinet during talks in [Rome](#) yesterday. Economic growth in Europe failed to accelerate in the third quarter, the European Union's statistics office said today.

There "is a clear indication of the systemic risk which continues to gnaw its way through the euro-zone," Jane Foley, a senior foreign-exchange strategist at Rabobank International in [London](#), said in a report today. "With the core now suffering the effects of contagion, the euro can be expected to remain vulnerable."

COMMERCIAL TEXT

Mr. Bruce Rich
Managing Director
Buy-You-Out International
24 Cheshire Street, London.

23rd September 2006

Dear Mr. Rich,

The Flagstone Company is a fast food company based here in London. We have various outlets within the city and in other cities and towns around the country. You can find us in Coventry, Kent, Cambridge, Sussex and Liverpool. Our fast food outlets are quite popular with young people. The easy going modern ambience and great tasting food makes our restaurants ideal places for social gatherings.

We are planning to expand our network into Scotland and France. To do this we require more capital. We are therefore offering to sell some of our outlets to interested investors. Should you be interested in this, you will become a shareholder in Flagstone Company. This is a great opportunity to be part of a company with great potential for growth.

For more details on the outlets available for sale and the nature of the contract please visit our website at www.flagstone.com. We look forward to hearing from you.

Yours truly,

Joseph Flagstone

Director
Flagstone