1. Magnification is when a small part of the texture is mapped to a large part of the screen. An example would be if you’re playing a video game and get really close to a wall. The texture appears pixel-y. Whereas minification is when a large part of the texture is mapped to a small part of the screen. AN example would be if the Mona Lisa painting is far away in the image, it would only be a few pixels.
2. All the different resolutions possible for an image are pre-calculated so that the correct texture can be used at that distance. It is used so that the texture samples can be taken from a lower resolution of the image if it is far away from the eye. It is an anti-alias version.
3. Environment mapping is used to mimic shiny, highly specular surfaces. These surfaces create a reflection in the environment and the reflection needs to be shown in the object. The environment map works by using the reflected ray from an object and projecting the texture that was mapped back on to the object.