



STRATHMORE INSTITUTE
DIPLOMA IN BUSINESS CREATION & ENTREPRENEUSHIP
END OF SEMESTER EXAMINATION
UNIT CODE DE1207: FUNDAMENTALS OF SOCIAL ENTREPRENEURSHIP

DATE: 12th August 2024

Time: 10:30 – 12:30 Hours

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.
3. Do **Not** write on the question paper.

QUESTION ONE

Taaluma Totes:

Young social entrepreneurs Jack DuFour and Alley Heffern from Virginia noticed the beautiful fabrics from various African countries during their travels. Inspired by these unique textiles, they founded Taaluma Totes, a company dedicated to creating tote bags from these African fabrics with a mission to promote local production and support underserved communities in Africa.

The Taaluma Totes initiative involves training individuals with disabilities in Virginia to manufacture the bags. This not only provides employment opportunities for people with disabilities but also ensures high-quality production of the totes. Furthermore, the entrepreneurs commit 20 percent of their profits to offer microloans for farmers and small business owners in the African countries where the fabrics originate which create jobs and stimulate local economies.

The microloan recipients receive business support from the lenders, enhancing their ability to repay the loans. The repayments are then reinvested in purchasing more fabric, thus sustaining the cycle of support and production that Taaluma Totes envisions.

Through regular adaptation of their product line, Taaluma Totes fulfills its dual purpose: providing meaningful employment for persons with disabilities in Virginia and fostering economic growth in underserved African communities. This social entrepreneurship model not only brings beautiful products to market but also drives positive social change on two continents.

- a) Explain how Taaluma Totes benefits both individuals with disabilities in Virginia and underserved populations in Africa. **(6Marks)**
- b) Describe how Taaluma Totes exemplify the principles of social entrepreneurship. **(6Marks)**
- c) Explain **four** sustainable development goals addressed by the enterprise. **(8 Marks)**
- d) Evaluate the effectiveness of Taaluma Totes' business model in creating sustainable social change. **(10Marks)**

QUESTION TWO:

Toto knitwear is handmade ethically produced in Kenya by a group of Kenyan. The sale of products provides an opportunity for them to gain financial independence, learn new skills while working in a flexible way which fits around their commitments to their families. Each design comes with the signature of the knitter, making each handmade article feel special, personal, and authentic.

A particular favorite, the Organic Cotton Panda Sweater proves kid friendly and suitable for both babies and children alike. The products are sold to the community and online platforms as it meets international standards.

- a) Describe the value proposition of the handmade toto knitwear to babies and women **(6Marks)**
- b) In reference to the passage, explain the role of community in social entrepreneurship **(9Marks)**

QUESTION THREE

- a) Explain **Three** business models for social enterprises providing an example of each. **(9Marks)**
- b) Explain **Three** motivations which drives social entrepreneurs to identify business opportunities. **(6Marks)**

QUESTION FOUR

- a) Discuss **Five** factors considered by social entrepreneurs in evaluating social enterprise market potential. **(10Marks)**
- b) Discuss approaches applied by social enterprises to market their product and services **(5 Marks)**

QUESTION FIVE

Measuring social impact is a crucial aspect of social entrepreneurship and any initiative aimed at achieving positive social change.

- a) Discuss **Five** methods of measuring social impact. **(10Marks)**
- b) Barriers of Entry for Social Entrepreneurs. **(5Marks)**