



**STRATHMORE INSTITUTE**  
**DIPLOMA IN BUSINESS CREATION AND ENTREPRENEURSHIP**  
**END OF SEMESTER EXAMINATION**  
**DE1207: FUNDAMENTALS OF SOCIAL ENTREPRENEURSHIP**

**DATE:** Monday, 24<sup>th</sup> April, 2023

**Time:** 2 Hours

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**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.

**Toto Knits wear:**

Toto Knits is a collection of hand-made creations Knitwear for babies and children. Each piece is hand-knitted with love and a sense of fun and is made to last.

The cotton is locally grown and spun, and the wool is hand-spun and dyed. The knitwear is ethically produced in Kenya by a group of local women and as such, 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. Toto Knits pays their local women the piece work, allowing them to work as little or as much as they prefer.

With their fun and funky designs, Toto Knits make for great gifts for any special occasion such as baby shower, birthday, christening, or holiday.

Women design their own or pick from one of their adorable styles. 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 available online and meet international standards and commands world wide market.

**Questions One:**

- a) What kind of social enterprise is Toto knits? **(2Marks)**
- b) Explain how the business will achieve the mission **(6Marks)**
- c) Describe three sustainable development goals addressed by Toto knits **(6Marks)**

- d) Describe three business strategies the enterprise can apply to remain competitive in knitwear business. **(6Marks)**
- e) Explain how social entrepreneurs differ from for profit. **(5Marks)**
- f) Illustrate how the business can measure social impact **(5Marks)**

### **Question Two**

- a) Explain three business models for social enterprises providing an example of each. **(6Marks)**
- b) Describe key elements that determine social value potential **(9Marks)**.

### **Question Three**

- a) Discuss key factor to consider when evaluating social enterprise market potential. **(10Marks)**
- b) Discuss marketing strategies applied by social enterprises **(5Marks)**

### **Question Four**

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) Outline the importance of measuring social impact **(5Marks)**.

### **Question Five**

- a) Social enterprises can obtain funding from a variety of sources, depending on the nature of their operations and their funding needs. Outline five sources of funding for social enterprises **(10Marks)**
- b) Describe challenges experience by social enterprises. **(5Marks)**