

SOFTWARE ASSET MANAGER MCQ



PRACTICE QUESTION BANK

1

Q1. What are the three primary goals of Software Asset Management?

- A) Procurement, Deployment, and Retirement
- B) Compliance, Cost Optimization, and Risk Management
- C) Discovery, Inventory, and Reporting
- D) Licensing, Auditing, and Negotiation

✓ **Answer: B – Compliance, Cost Optimization, and Risk Management**

2

Q2. Which of the following best describes the Effective License Position (ELP)?

- A) The total number of software licenses an organization has purchased
- B) The reconciliation between license entitlements and actual software usage
- C) The position an organization takes during a vendor audit negotiation
- D) The effective date from which a license agreement is legally binding

✓ **Answer: B – The reconciliation between license entitlements and actual software usage**

3

Q3. What is "shelfware" in the context of Software Asset Management?

- A) Software stored on physical media that has never been installed
- B) Software that has been licensed and paid for but is not being actively used
- C) Software that is installed on a shelf server in a data center
- D) Outdated software versions that are no longer supported by the vendor

✓ **Answer: B – Software licensed and paid for but not actively used**

4

Q4. What is the primary purpose of software discovery in a SAM program?

- A) To find new software products that could benefit the organization
- B) To automatically detect and record all software present across the IT environment, regardless of whether it was formally procured
- C) To discover how much competitors are spending on software
- D) To identify software that is ready to be decommissioned

✓ **Answer: B – To detect and record all software across the IT environment**

1

Q5. Which ISO standard specifically governs Software Asset Management?

- A) ISO 27001
- B) ISO 9001
- C) ISO 19770
- D) ISO 20000

✓ **Answer: C – ISO 19770**

2

Q6. What does a "true-up" provision in an enterprise software agreement mean?

- A) The vendor agrees to upgrade the customer to the latest software version at no additional cost
- B) A periodic reconciliation between actual software usage and licensed quantities, with payment for any shortfall
- C) A clause requiring the customer to pay the full contract value upfront
- D) A provision allowing the customer to return unused licenses for a refund

✓ **Answer: B – Periodic reconciliation with payment for shortfalls**

3

Q7. Which of the following best describes software license harvesting?

- A) The process of collecting license keys from installed software for documentation
- B) Purchasing licenses in bulk at harvest time when vendor prices are lowest
- C) Recovering unused or underused licenses from users or devices and making them available for reassignment
- D) Automatically renewing licenses before they expire to avoid service interruption

✓ **Answer: C – Recovering unused licenses for reassignment**

4

Q8. What is the correct sequence of the software asset lifecycle?

- A) Procurement → Deployment → Request → Tracking → Retirement → Optimization
- B) Request → Procurement → Deployment → Tracking → Optimization → Retirement
- C) Deployment → Request → Procurement → Optimization → Tracking → Retirement
- D) Tracking → Request → Procurement → Deployment → Retirement → Optimization

✓ **Answer: B – Request → Procurement → Deployment → Tracking → Optimization → Retirement**

1

Q9. A company allows any 25 of its 200-person workforce to use software simultaneously. What type of license is this?

- A) Named User License
- B) Site License
- C) Concurrent / Floating License
- D) Device License

✓ **Answer: C – Concurrent / Floating License**

2

Q10. A software license is bundled with a specific laptop model and cannot be transferred to another device. What type of license is this?

- A) Named User License
- B) Subscription License
- C) Volume License
- D) OEM License

✓ **Answer: D – OEM License**

3

Q11. Multiple employees share a single set of login credentials to access a licensed SaaS application. Which license type is most likely being violated?

- A) Concurrent License
- B) Named User License
- C) Site License
- D) Enterprise Agreement

✓ **Answer: B – Named User License**

4

Q12. A developer incorporates code from a GPL-licensed open source project into a new proprietary application. What obligation does the GPL license impose?

- A) The developer must pay a royalty to the open source project
- B) The developer must include a copyright notice in the application
- C) The derived application must also be released as open source under a compatible license
- D) The developer must notify the open source community within 30 days

✓ **Answer: C – The derived application must also be open source**

1

Q13. What distinguishes a perpetual license from a subscription license?

- A) Perpetual licenses are always cheaper; subscription licenses are always more expensive
- B) A perpetual license grants ongoing use rights after a one-time purchase; a subscription license provides access only while payments continue
- C) Perpetual licenses cover all versions; subscription licenses only cover the version purchased
- D) Perpetual licenses are cloud-based; subscription licenses are on-premise

✓ **Answer: B – Perpetual grants ongoing rights; subscription requires ongoing payment**

2

Q14. At annual true-up, an organization discovers 50 more Microsoft 365 E3 licenses deployed than covered. What happens?

- A) The 50 excess installations must be immediately removed or the agreement is void
- B) The organization pays for the 50 excess licenses for the period they were used and adjusts future license quantities
- C) Microsoft automatically grants a 90-day grace period to remediate the shortfall
- D) The organization can dispute all findings if they were unaware of the excess

✓ **Answer: B – Pay for the excess and adjust**

3

Q15. Which open source license is generally considered the most permissive and places the fewest restrictions on use?

- A) GPL
- B) AGPL
- C) MIT
- D) LGPL

✓ **Answer: C – MIT**

4

Q16. A license agreement states: "This license covers all users within a single physical location." What type of license is this?

- A) Named User License
- B) Site License
- C) Concurrent License
- D) Enterprise License

✓ **Answer: B – Site License**

1

Q17. Which action should be taken immediately when an organization receives a vendor software audit notification?

- A) Immediately submit all requested software inventory data to demonstrate cooperation
- B) Refuse to cooperate with the audit as it is an intrusion on business operations
- C) Review the audit notification against contract audit rights clauses and engage legal counsel before responding
- D) Uninstall any software that may be non-compliant before the auditors arrive

✓ **Answer: C – Review contract and engage legal counsel**

2

Q18. What is the most common trigger for a software vendor initiating a compliance audit?

- A) The organization publicly announcing a cost reduction program
- B) Random selection by the vendor's audit department
- C) License expiry approaching, unusual download or installation patterns, or a routine audit cycle in the contract
- D) The organization filing a support ticket for the software

✓ **Answer: C – License expiry, unusual patterns, or routine contractual cycle**

3

Q19. The vendor requests data that appears to go beyond the license agreement's audit rights clause. What is the correct response?

- A) Provide all requested data to demonstrate good faith and cooperation
- B) Politely decline to provide any data at all until the audit is settled in court
- C) Challenge the scope in writing, citing the specific audit rights clause, and provide only what is contractually required
- D) Negotiate a new contract that expands the audit rights in exchange for a price reduction

✓ **Answer: C – Challenge scope in writing and provide only what is contractually required**

4

Q20. What is the recommended approach to maintaining audit readiness as an ongoing SAM practice?

- A) Conduct a comprehensive software audit internally every 5 years
- B) Maintain continuously updated software inventory, entitlement records, and ELP so the organization can respond to an audit at any time with accurate data
- C) Purchase more licenses than needed as a buffer against audit findings
- D) Engage a law firm on retainer specifically for audit defense

✓ **Answer: B – Maintain continuous, accurate inventory, entitlements, and ELP**

1

Q21. Which compliance risk is specific to virtualized and cloud environments?

- A) Software installed on virtual machines is automatically licensed by the hardware vendor
- B) Some license agreements do not permit use in virtual environments without specific virtualization rights
- C) Cloud deployments are always exempt from traditional software licensing requirements
- D) Virtual machines automatically generate license entitlements when software is installed

✔ **Answer: B – Some licenses require specific virtualization rights**

2

Q22. An employee leaves and their laptop is reassigned. The SAM team does not update the software inventory. What compliance risk does this create?

- A) The new employee inherits the previous employee's named user license entitlements automatically
- B) Named user licenses tied to the departing employee remain in use without a licensed user, and the new employee's usage may be unlicensed
- C) Device licenses on the laptop automatically transfer to the new user with no action required
- D) There is no compliance risk as long as the total number of installations does not change

✔ **Answer: B – Named user licenses do not automatically transfer**

3

Q23. What does "audit fatigue" mean in a SAM context and why is it significant?

- A) When auditors become tired during long audit processes and miss non-compliance findings
- B) When organizations experience so many vendor audits simultaneously that their internal teams cannot adequately manage each one
- C) When SAM teams become complacent about audit readiness after passing multiple consecutive audits
- D) When vendor auditors repeatedly audit the same systems they have already reviewed

✔ **Answer: B – Simultaneous audits exceeding management capacity**

4

Q24. A SAM manager discovers 20% more Oracle database licenses in use than purchased. Which action should be taken first?

- A) Immediately uninstall the excess Oracle database installations
- B) Contact Oracle and proactively disclose the non-compliance before any audit notification
- C) Internally assess the full scope of the gap, calculate the cost to remediate, engage legal counsel, and develop a remediation plan before any external communication
- D) Purchase the additional licenses from a third-party reseller to avoid Oracle's standard pricing

✔ **Answer: C – Internal assessment and planning before external communication**

1

Q25. What is the primary purpose of software contract management within a SAM program?

- A) To ensure all software contracts are signed by the correct legal authority
- B) To manage the full lifecycle of software contracts – from negotiation through renewal or termination – ensuring terms are understood, honored, and optimized
- C) To maintain a filing system for software purchase receipts and invoices
- D) To negotiate software contracts on behalf of individual departments

✔ **Answer: B – Managing the full contract lifecycle**

2

Q26. How many days before a software contract renewal should the SAM team ideally flag the renewal for review?

- A) 7 days
- B) 30 days
- C) 90 days or more
- D) Renewals should be set to auto-renew to avoid service interruption

✔ **Answer: C – 90 days or more**

3

Q27. A vendor proposes an "Unlimited License Agreement" (ULA). What SAM consideration is most critical?

- A) ULAs are always the most cost-effective option and should always be accepted
- B) The definition of "unlimited" must be precisely defined – which products, versions, deployment types, and geographies are covered and which are not
- C) ULAs eliminate all compliance risk, so SAM monitoring can be suspended for the ULA period
- D) ULAs are only appropriate for organizations with fewer than 1,000 employees

✔ **Answer: B – Precisely defining what "unlimited" covers**

4

Q28. What negotiating advantage does detailed software usage data provide during contract renewal discussions?

- A) Usage data legally obligates vendors to accept lower pricing
- B) Usage data demonstrates the true value the organization receives, enabling evidence-based conversations about right-sizing license quantities and negotiating price protections
- C) Usage data gives the organization grounds to terminate the contract without penalty
- D) Usage data is not relevant to contract negotiations – price is set by the vendor's published price list

✔ **Answer: B – Evidence-based right-sizing and negotiation**

1

Q29. What is "license position management" in the context of ongoing SAM operations?

- A) The physical location where license certificates and agreements are stored
- B) The continuous process of maintaining an accurate ELP by reconciling entitlements against actual usage as both change over time
- C) Managing the seniority hierarchy of SAM team members within the IT organization
- D) The process of positioning the organization favorably during vendor audit discussions

✓ **Answer: B – Continuously maintaining accurate ELP**

2

Q30. Which vendor behavior during an audit should prompt immediate legal review?

- A) The vendor requests a list of all installed software across the organization
- B) The vendor asks to interview IT staff about software deployment practices
- C) The vendor attempts to expand the audit scope beyond what is defined in the contract audit rights clause
- D) The vendor provides a preliminary findings report and requests a response within 30 days

✓ **Answer: C – Scope expansion beyond contractual rights**

3

Q31. What is the significance of "maintenance and support" agreements in software license management?

- A) Maintenance agreements are optional and have no impact on compliance
- B) Maintenance agreements often entitle the customer to new versions and certain features – lapsing maintenance may mean the organization is not entitled to use the version it has deployed
- C) Maintenance agreements automatically renew perpetual licenses as subscription licenses
- D) Maintenance agreements cover all software on a device, regardless of publisher

✓ **Answer: B – Maintenance entitlement affects version rights**

4

Q32. What is the recommended approach when an organization wants to exit a major software vendor relationship?

- A) Simply stop renewing the license and uninstall the software immediately at contract end
- B) Plan the exit 12–18 months in advance – assessing dependencies, migrating data, and ensuring compliant use through the transition period
- C) Allow the license to lapse and address any vendor complaints if they arise
- D) Transfer the licenses to a third-party vendor for resale to offset exit costs

✓ **Answer: B – Plan 12–18 months in advance**

1

Q33. ISO 19770 defines SAM maturity across four tiers. Which tier represents the most basic level – the foundation of trustworthy SAM data?

- A) Tier 4 – Full SAM lifecycle management
- B) Tier 3 – License entitlement management
- C) Tier 2 – Software identification
- D) Tier 1 – Trustworthy data

✓ **Answer: D – Tier 1 – Trustworthy data**

2

Q34. How does ITIL relate to Software Asset Management?

- A) ITIL replaces SAM as the preferred framework for managing software in enterprise environments
- B) ITIL's Service Asset and Configuration Management process provides the framework within which SAM operates, connecting software assets to the services they support
- C) ITIL is a hardware asset management framework with no direct relevance to software
- D) ITIL and SAM are competing frameworks – organizations choose one or the other

✓ **Answer: B – ITIL's SACM provides the SAM framework context**

3

Q35. What is the primary function of a Software Asset Management tool (SAM tool)?

- A) To automatically purchase software licenses when inventory runs low
- B) To automate software discovery, inventory management, license reconciliation, and compliance reporting across the IT estate
- C) To replace the need for a human SAM manager in small organizations
- D) To negotiate software contracts with vendors on behalf of the organization

✓ **Answer: B – Automate discovery, inventory, reconciliation, and reporting**

4

Q36. What is the role of a Configuration Management Database (CMDB) in a SAM program?

- A) A CMDB replaces the need for a dedicated SAM tool
- B) A CMDB stores configuration item data that, when integrated with SAM data, provides context about how software is deployed in relation to hardware, services, and business processes
- C) A CMDB is used exclusively for hardware asset management and has no SAM application
- D) A CMDB is a type of software license agreement used in enterprise environments

✓ **Answer: B – CMDB provides contextual configuration data for SAM**

1

Q37. Which SAM governance responsibility belongs primarily to the CFO rather than the SAM Manager?

- A) Maintaining the software inventory
- B) Calculating the Effective License Position
- C) Approving the SAM budget and ensuring software spend aligns with financial controls
- D) Managing vendor audit responses

✓ **Answer: C – Approving SAM budget and financial controls**

2

Q38. What is a SAM policy and why is it essential to a SAM program?

- A) A vendor-issued document that defines how their software must be licensed
- B) An internal organizational document that defines the rules, responsibilities, and processes for managing software assets – providing the authority for SAM activities
- C) A software license agreement negotiated specifically for policy management tools
- D) A government regulation that mandates SAM practices in public sector organizations

✓ **Answer: B – Internal document defining SAM rules, responsibilities, and processes**

3

Q39. What is the difference between software discovery and software inventory in SAM?

- A) They are the same thing – used interchangeably in SAM practice
- B) Discovery is the active process of detecting software across the environment; inventory is the maintained record of discovered and managed software assets
- C) Discovery covers cloud software; inventory covers on-premise software
- D) Inventory is performed manually; discovery always requires automated tools

✓ **Answer: B – Discovery is the process; inventory is the maintained record**

4

Q40. Which SAM maturity level has formal policies, a dedicated SAM tool, and regular compliance checks – but has not yet fully integrated SAM with procurement and ITSM?

- A) Level 1 – Reactive
- B) Level 2 – Aware
- C) Level 3 – Defined
- D) Level 4 – Managed

✓ **Answer: C – Level 3 – Defined**

1

Q41. SAM reporting shows 35% of Microsoft 365 licenses have had no activity in 90 days. What is the most appropriate immediate action?

- A) Purchase additional licenses to ensure adequate buffer capacity
- B) Immediately remove all inactive users from the system
- C) Investigate the inactive licenses to determine whether they are genuinely unused – and reclaim licenses from confirmed unused accounts for reuse or non-renewal
- D) Contact Microsoft and request a credit for the unused portion of the license period

✓ **Answer: C – Investigate and reclaim confirmed unused licenses**

2

Q42. What is "license right-sizing" in the context of SaaS applications?

- A) Purchasing the largest available license tier to ensure future growth is covered
- B) Matching the license tier to the actual features used by each user – downgrading users from premium tiers if they only use basic features
- C) Sizing the SAM team to match the number of software licenses being managed
- D) Ensuring software licenses are the right physical size for the device they are installed on

✓ **Answer: B – Matching tier to actual feature usage**

3

Q43. What unique SAM challenge does Software as a Service (SaaS) present compared to traditional on-premise software?

- A) SaaS software is immune to compliance audits because it is hosted by the vendor
- B) SaaS licensing is governed entirely by hardware metrics – number of servers and devices
- C) SaaS sprawl – users and departments can subscribe to SaaS applications independently, creating decentralized, unmanaged software spend outside the visibility of the SAM program
- D) SaaS applications do not require license management because they are always pay-per-use

✓ **Answer: C – SaaS sprawl and decentralized, unmanaged spend**

4

Q44. An organization is migrating from on-premise Microsoft Office to Microsoft 365. What SAM consideration is most critical during this migration?

- A) Ensuring all on-premise Office installations are upgraded to the latest version before migration
- B) Understanding which existing on-premise license agreements include cloud rights, and ensuring the transition does not result in a period of dual licensing without the benefit of either
- C) Purchasing new Microsoft 365 licenses for every user before beginning the migration
- D) Decommissioning all on-premise Office installations on the first day of migration

✓ **Answer: B – Understanding cloud rights and managing dual-licensing risk**

1

Q45. What is "shadow IT" and why is it a SAM concern?

- A) Software that runs background processes invisible to the operating system
- B) Software tools purchased and used by business units outside the visibility and governance of IT and SAM – creating compliance, security, and cost risks
- C) Legacy software systems that predate the organization's SAM program
- D) The test environment used by the SAM team to trial new SAM tools

✔ **Answer: B – Unmanaged software outside IT governance**

2

Q46. Which approach best manages software costs during an economic downturn when the IT budget must be reduced?

- A) Immediately cancel all software subscriptions and request refunds
- B) Use SAM data to identify shelfware, right-sizing opportunities, and consolidation candidates – prioritizing reductions that have the least operational impact
- C) Renegotiate all vendor contracts simultaneously to maximize leverage
- D) Switch all software to open source alternatives regardless of operational impact

✔ **Answer: B – Data-driven prioritization of low-impact reductions**

3

Q47. What is the purpose of a software rationalization exercise?

- A) To justify the cost of the SAM program to organizational leadership
- B) To identify and eliminate duplicate, redundant, or underused software tools – reducing both cost and complexity
- C) To ensure all software versions are rational – meaning current and supported
- D) To calculate the rational number of licenses needed for each software product

✔ **Answer: B – Identifying and eliminating redundant and underused tools**

4

Q48. A global organization uses cloud infrastructure where software licensing costs vary based on virtual processors allocated. What SAM practice is most important?

- A) Purchasing the maximum available licenses to cover all possible configurations
- B) Continuously monitoring cloud resource allocation and right-sizing instances to match actual workload requirements – ensuring software license costs reflect actual usage
- C) Negotiating a flat-rate agreement that eliminates variable licensing costs entirely
- D) Restricting all cloud usage to a single region to simplify license tracking

✔ **Answer: B – Continuous monitoring and right-sizing of cloud resources**

1

Q49. What is the relationship between SAM and IT financial management?

- A) SAM and IT financial management are completely separate disciplines with no overlap
- B) SAM provides the data – accurate software inventory, utilization, and entitlement information – that enables IT financial management to accurately account for software costs, allocate them to business units, and optimize the software portfolio
- C) IT financial management sets the SAM budget; SAM has no role in financial reporting
- D) SAM replaces IT financial management in organizations where software is the primary IT cost

✓ Answer: B – SAM data enables accurate IT financial management

2

Q50. Which of the following statements about SAM return on investment (ROI) is most accurate?

- A) SAM ROI is difficult to demonstrate because software costs are intangible
- B) SAM ROI is typically demonstrated through quantified cost savings – reclaimed licenses, avoided audit penalties, optimized renewals – measured against the cost of the SAM program
- C) SAM delivers ROI only when a vendor audit is successfully defended
- D) SAM ROI is the same for all organizations regardless of software spend or maturity level

✓ Answer: B – Quantified savings measured against program cost

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