Note: Before setting up your grade book you should have a clear idea of what grade items you plan to evaluate users on, how much each grade item should be worth, how you want grade items to be evaluated, and how you want to calculate final grades. Although you can adjust your grade book later, making changes to how the grade book is structured or calculated after users’ grades have been entered can significantly change your data.

1. Selecting a grading system is the first step in setting up your grade book.

There are two main options: grade items can count as a percentage of a final grade worth 100% (weight system), or they can be worth a certain amount of points that are totaled for a final grade (points system).

➔ Use the **weighted system** to calculate grade items as a percentage of a final grade worth 100%. The Max. Points you assign to individual grade items can be any value, but their contribution towards the category they belong to and the final grade is the percentage value (weight) assigned to them.

Grade items that reside in a category count as a percentage of that category not of the final grade. Therefore, grade items in a category should combine to a weight of 100%. For example, if you have a category worth 10% of the final grade with two equally weighted grade items, the weight of each grade item is 50% (its contribution to the category) not 5% (its contribution to the final grade).

**Note:** Since it is a category’s weight and not an individual grade item’s weight that counts toward the final grade, the final grade is inaccurate until all the items in the category are graded. Therefore, *releasing calculated final grades to users before the end of the course may be misleading.*

➔ Use the **points system** when you want the Max. Points assigned to a grade item to be equal to its contribution to the final grade. Final grades are calculated by adding a user’s score on all grade items together and dividing by the sum of the Max. Points values. The sum of the Max. Points values for all grade items does not need to equal 100.

With the points system you do not specify a category’s weight or total points. It is the Max. Points assigned to an individual grade item that counts toward the final grade.

**Note:** If you plan to drop the lowest grade, you must place items in a category and distribute the points evenly across all items.

2. Selecting the type of final grade to release lets you decide if you want to modify users’ grades before releasing them.

A user’s **calculated final grade** is calculated based on the grading formula set up in the grade book. It cannot be adjusted to accommodate special circumstances without editing individual grade items or categories and recalculating the total.
The **adjusted final grade** lets you modify or adjust a users’ grade before releasing it. You can use the calculated grade for final grades that don't need adjustment.

**3. Using the Grades Setup Wizard.**

The Grades Setup Wizard takes you through a list of setup options that you should set before you create grade items and categories. For example, it helps you make decisions about how grades should be calculated and displayed in the grade book.

**Step 1: Choose Grading System**

- Weighted System
- Points System

**Step 2: Final Grade Released**

- Calculated Final Grade
- Adjusted Final Grade

**Step 3: Grade Calculations**

- Drop ungraded items
  - Grade items that you have not entered grades for are not counted towards users’ final grades. They are ignored in the final grade calculation.
  - Select this option if you plan to make users’ grades available to them before the end of the course
  - Assign a grade of 0 for any grade item you want to be graded as 0.
- Treat ungraded items as 0
  - Grade items that you have not entered grades for count as 0 towards users’ final grades.
  - Select this option if you leave grade items blank because no work was submitted and you don’t want to manually change the grades to 0.
  - If you add new items to the grade book later, users receive a 0 until you update their score.
- Automatically keep final grade up to date.
  - If you select this option, final grades are automatically adjusted after changing a grade item. If you do not select this option, you must tell the grade book when to recalculate final grades.

**Step 4: Choose Default Grade Scheme Grade**

- Schemes define how grades are organized or labeled within a course or for a particular grade item. Our LMS grade scheme is set to percentage.

**Step 5: User Leading a Course View Display Options**

- You can set the number of decimal places you want to see for items in your grade book. The default value is 2 and the maximum value is 5.
Step 6: User View Display Options

- Points grade
  - Releasing the points grade to a user shows them the value a grade item was marked out of and their score. E.g., 6/10.

- Weighted grade
  - Releasing the weighted grade to a user shows them how much the grade item is worth in relation to its category or the final grade. E.g., 3/5 (for a user who scored 60% on a grade item worth 50% of a category worth 10% of the final grade).

- Grade scheme symbol
  - Releasing the grade scheme symbol to a user shows them the scheme level they received on a grade item. 60%

- Grade scheme color
  - Releasing the grade scheme color shows a user the color associated with the scheme level they received.

- Number of decimals to display
  - Number of characters to display for Text items Controls the number of characters users see for a text item. When setting this value you should try to find a balance between presenting enough information for users to recognize the Text item and keeping the item short enough that it displays nicely. The default value is 15 and the maximum value is 50.

- Display final grade calculation to users
  - Displaying the final grade calculation to users allows them to view how their final grade was calculated. They can see which grade items contributed to their final grade and how much; which grade items were bonus grades; and whether their grade was adjusted.

Step 7: Grade Setup Summary

- The final step summarizes the choices you made while setting up your grade book. If you change your mind on any of the choices, click the Back button to return to the step and adjust it. Clicking Finish on this page completes the setup.

4. Changing grades settings

Like the Grades Setup Wizard, the Grades Settings pages let you adjust how your grade book is displayed and calculated.

To access the Grades Settings pages

- Click Settings in the upper right corner of page.

  - The Personal Display options page lets you set what information you want to display in your grade book.
- The **Org Unit Display** Options page lets you set what information to display to all course users (students).

- The **Calculation Options** page lets you set or change the type of grading system you use to calculate users’ grades, whether you want to release the calculated final grade or an adjusted final grade, and how you want to calculate ungraded items.