Our introductory differential equations course is taught using our Active Differential Equations material, which was developed to encourage guided-inquiry in topics pertaining to differential equations. To complement our emphasis on conceptual understanding through an inquiry-based approach, we employ specifications-based grading. Each specification is assessed either as “mastered” or “not yet mastered”, and the course grade is based on the combination of the number of specifications mastered and the final exam score. In this talk, we will present our implementation of specifications-based grading and modifications from the previous semester. We will then discuss student feedback on our assessment technique and the effect of specifications-based grading on their experience with the inquiry-based material. Comparison of student performances using different assessment techniques will also be presented. (Received September 17, 2019)