

# AI Capability in Practice

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A Scenario-Based Quiz with Answers & Discussion Prompts

For Education, Research, and Public Service

## Purpose

This quiz assesses **AI capability** — judgement, responsibility, and decision-making — rather than technical knowledge.

Each question has:

- a **best response**
  - an **answer rationale**
  - **discussion prompts** for teaching and reflection
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## Domain 1 — Awareness & Orientation

### Q1. Inconsistent AI teaching materials

A department uses generative AI to draft teaching materials but notices inconsistent quality and factual errors.

**Best response:**

**C. Establish shared guidance on appropriate use, limitations, and verification**

**Rationale:**

AI awareness is collective, not individual. Shared guidance reduces systemic risk without banning innovation.

**Discussion prompts**

- What errors would be most damaging in your context?
  - Who should be responsible for verification?
  - How does shared guidance change behaviour over time?
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## **Q2. Treating AI as a neutral draft**

A team treats AI outputs as “first drafts” but rarely questions assumptions or framing.

**Best response:**

### **B. Over-reliance on AI as an authority**

**Rationale:**

AI influences how problems are framed, not just written. Awareness includes recognising epistemic risk.

### **Discussion prompts**

- How does AI shape thinking as well as text?
  - Where have you seen subtle over-trust?
  - What signals unhealthy reliance?
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## **Q3. No shared understanding of when *not* to use AI**

An institution adopts AI rapidly without agreed boundaries.

**Best response:**

### **C. Inappropriate or unethical use**

**Rationale:**

Knowing when *not* to use AI is a core capability, not an optional add-on.

### **Discussion prompts**

- What tasks should exclude AI?
  - Who should define boundaries?
  - What happens when boundaries are implicit?
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#### **Q4. AI summaries outside expertise**

A researcher uses AI to summarise literature beyond their expertise.

**Best response:**

**B. Cross-check with sources and domain experts**

**Rationale:**

Capability means calibrated trust, not blind efficiency or avoidance.

**Discussion prompts**

- How does expertise affect judgement?
  - What safeguards are realistic?
  - When is “good enough” not acceptable?
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#### **Q5. Mature AI awareness**

Which statement best reflects mature AI awareness?

**Best response:**

**D. AI shapes thinking and decisions, not just outputs**

**Rationale:**

This captures the foundational insight of AI capability.

**Discussion prompts**

- How has AI changed how you think?
  - What risks arise if this influence is unexamined?
  - How do teams build shared awareness?
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## **Domain 2 — Human–AI Co-Agency**

### **Q6. Automated reports without review**

A team signs off AI-generated reports without human review.

**Best response:**

**B. Loss of accountability**

**Rationale:**

Co-agency requires explicit human responsibility for outcomes.

**Discussion prompts**

- Who is accountable if something goes wrong?
  - How does automation affect professional identity?
  - Where must review be mandatory?
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### **Q7. Designing decision points**

Which practice best supports human–AI co-agency?

**Best response:**

**C. Defining explicit decision points for human judgement**

**Rationale:**

Co-agency is designed collaboration, not maximum automation.

**Discussion prompts**

- Which decisions must remain human-led?
  - How do you decide where AI adds value?
  - What happens when decision points are vague?
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## **Q8. AI-assisted student work**

A lecturer allows AI drafting but requires students to explain their reasoning.

**Best response:**

**C. Co-agency design**

**Rationale:**

This preserves human reasoning while enabling AI support.

**Discussion prompts**

- How does this change assessment design?
  - Does it increase or reduce workload?
  - What skills does it develop?
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## **Q9. AI recommendations in crises**

A policy team uses AI to suggest actions during emergencies.

**Best response:**

**C. Use AI to surface options, retain human judgement**

**Rationale:**

High-stakes contexts require human accountability.

**Discussion prompts**

- How does time pressure affect judgement?
  - What if AI advice conflicts with human judgement?
  - Who carries responsibility?
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## **Q10. Poor co-agency**

Which scenario shows poor co-agency?

**Best response:**

**C. AI making final decisions without oversight**

**Rationale:**

Removing humans from final decisions undermines legitimacy.

**Discussion prompts**

- Are there any contexts where this is acceptable?
  - How does this affect public trust?
  - What safeguards would be required?
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## **Domain 3 — Applied Practice & Innovation**

### **Q11. Piloting AI use**

A team pilots AI before full rollout.

**Best response:**

**B. Strategic innovation**

**Rationale:**

Capability grows through iterative, contextual experimentation.

**Discussion prompts**

- What makes a pilot meaningful?
  - How do pilots fail?
  - What evidence supports scale-up?
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## **Q12. Sustainable AI practice**

Which approach best supports sustainability?

**Best response:**

**C. Experimenting within clear boundaries**

**Rationale:**

Neither paralysis nor hype builds real capability.

**Discussion prompts**

- What boundaries matter most?
  - Who defines acceptable risk?
  - How do you avoid “innovation theatre”?
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## **Q13. Local adaptation**

An educator adapts AI workflows to local student needs.

**Best response:**

**B. Applied capability**

**Rationale:**

Capability means contextual adaptation, not copying best practice.

**Discussion prompts**

- Where does copying fail?
  - How do you balance consistency and context?
  - What adaptations are often overlooked?
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#### **Q14. Documenting lessons**

A team documents AI successes and failures.

**Best response:**

**C. Supporting organisational learning**

**Rationale:**

Capability grows through learning, not just success.

**Discussion prompts**

- Why are failures hard to share?
  - How can learning occur without blame?
  - What happens when lessons aren't documented?
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#### **Q15. Vendor-led adoption**

Which signals weak applied practice?

**Best response:**

**C. Blind adoption of vendor demos**

**Rationale:**

Vendor narratives often ignore context and risk.

**Discussion prompts**

- How do vendors shape expectations?
  - What questions should always be asked?
  - Who benefits from premature adoption?
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## **Domain 4 — Ethics, Equity & Impact**

### **Q16. Unintended disadvantage**

An AI system disadvantages certain groups unintentionally.

**Best response:**

**C. Investigate, mitigate, and redesign**

**Rationale:**

Ethical capability means thoughtful response, not denial or panic.

**Discussion prompts**

- How do you detect harm early?
- Who should be involved in response?
- What trade-offs are acceptable?

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### **Q17. Transparency**

Why is transparency about AI use important?

**Best response:**

**C. It supports trust and accountability**

**Rationale:**

Transparency underpins legitimacy.

**Discussion prompts**

- What level of transparency is realistic?
- Who needs to know AI is used?
- When can transparency create challenges?

## **Q18. Equity**

Which practice best supports equity?

**Best response:**

**C. Considering differential impacts and access**

**Rationale:**

Equity requires sensitivity to context, not uniform rules.

**Discussion prompts**

- How does AI amplify inequality?
  - When does “optional” become exclusionary?
  - What support matters most?
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## **Q19. Contestability**

A public AI system cannot be challenged by users.

**Best response:**

**C. Lack of contestability**

**Rationale:**

Ethical systems must allow challenge and redress.

**Discussion prompts**

- What does contestability look like?
  - Why is it central to trust?
  - How can it be operationalised?
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## **Q20. Ethical maturity**

Which reflects ethical maturity?

**Best response:**

**C. Proactive reflection on impact**

**Rationale:**

Ethics is active, not compliance-based.

**Discussion prompts**

- How does proactive ethics differ from compliance?
  - Where should ethical responsibility sit?
  - How do values translate into practice?
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## **Domain 5 — Decision-Making & Governance**

### **Q21. Documenting AI decisions**

Why document AI decisions?

**Best response:**

**C. Defensibility and accountability**

**Rationale:**

Documentation protects individuals and institutions.

**Discussion prompts**

- What should be documented?
  - How detailed is “enough”?
  - Who owns documentation?
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## **Q22. No accountability**

A team uses AI but no one owns outcomes.

**Best response:**

**B. Role clarity gap**

**Rationale:**

Governance depends on ownership, not policy alone.

**Discussion prompts**

- Why is accountability often avoided?
  - What risks emerge?
  - How can roles be clarified?
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## **Q23. Governance balance**

Which approach best supports AI capability?

**Best response:**

**C. Clear principles with local responsibility**

**Rationale:**

Balance enables consistency and flexibility.

**Discussion prompts**

- Where does central control help?
  - Where does it hinder?
  - How do principles guide decisions?
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## **Q24. Escalation**

When should AI decisions be escalated?

**Best response:**

**B. When rights, equity, or reputation are affected**

**Rationale:**

Impact, not technical error alone, triggers escalation.

**Discussion prompts**

- What counts as high-stakes?
  - Who defines thresholds?
  - What happens when escalation is unclear?
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## **Q25. Informal AI use**

Which indicates weak governance?

**Best response:**

**C. Informal, undocumented AI use**

**Rationale:**

Invisible use undermines accountability.

**Discussion prompts**

- Why does informal use persist?
  - How does invisibility increase risk?
  - What encourages safe disclosure?
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## **Domain 6 — Reflection, Learning & Renewal**

### **Q26. Why reflect?**

Why is reflection essential?

**Best response:**

**C. To adapt as tools and contexts change**

**Rationale:**

Reflection enables resilience and renewal.

**Discussion prompts**

- What changes faster: tools or contexts?
  - How often should reflection occur?
  - What gets lost without it?
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### **Q27. Renewal**

Which practice supports renewal?

**Best response:**

**B. Continuous review and adaptation**

**Rationale:**

Capability is dynamic, not static.

**Discussion prompts**

- How do reviews avoid bureaucracy?
  - Who should be involved?
  - What signals need for change?
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## **Q28. Success without review**

A team stops reviewing AI once it “works”.

**Best response:**

**C. Capability stagnation**

**Rationale:**

Success can hide emerging risk.

**Discussion prompts**

- Why is success dangerous?
  - What risks emerge over time?
  - How do you sustain vigilance?
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## **Q29. Learning from failure**

How should organisations learn from AI failure?

**Best response:**

**C. Treat failure as a learning opportunity**

**Rationale:**

Psychological safety underpins capability growth.

**Discussion prompts**

- How does blame inhibit learning?
  - What creates safety?
  - How should failures be shared?
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### **Q30. Reflective capability**

Which statement best reflects reflective AI capability?

**Best response:**

**C. “We regularly reassess our AI use and its impact.”**

**Rationale:**

Reflection is ongoing sense-making, not static compliance.

**Discussion prompts**

- Which statement fits your organisation?
- What would change be required?
- How do you know reflection is happening?