

Edgar Filing: MUNIYIELD QUALITY FUND INC - Form N-Q

MUNIYIELD QUALITY FUND INC
 Form N-Q
 March 30, 2005

UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-6660

Name of Fund: MuniYield Quality Fund, Inc.

Fund Address: P.O. Box 9011
 Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., President, MuniYield
 Quality Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ 08536. Mailing
 address: P.O. Box 9011, Princeton, NJ 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 10/31/05

Date of reporting period: 11/01/04 - 1/31/05

Item 1 - Schedule of Investments

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (in Thousands)

| State | Face Amount | Municipal Bonds |
|--------------------|-------------|--|
| Alaska - 0.8% | \$ 850 | Alaska State Housing Finance Corporation, General Housing Series A, 5.25% due 12/01/2034 (d) |
| | 2,100 | Alaska State International Airports Revenue Bonds, Series A, 5.25% due 10/01/2019 (a) |
| | 500 | Valdez, Alaska, Marine, Terminal Revenue Refunding Bonds (Project), VRDN, Series C, 1.83% due 7/01/2037 (1) |
| Arizona - 0.6% | 2,345 | Maricopa County, Arizona, Public Finance Corporation, Limited Revenue Bonds, Series 511X, 8.89% due 7/01/2014 (a) (i) |
| California - 18.6% | 4,150 | Alameda Corridor Transportation Authority, California, Revenue Bonds, Subordinated Lien, Series A, 5.525%** due 10/01/2021 |
| | 1,400 | 5.375% due 5/01/2021 |
| | 1,000 | 5.375% due 5/01/2022 (g) |
| | 5,700 | California State, GO, Refunding: Series A: 5.25% due 9/01/2026 |

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| | |
|--------|--|
| 6,000 | 5.25% due 2/01/2030 (b) |
| 7,700 | 5.25% due 2/01/2030 (g) |
| 2,850 | California State, GO, Refunding, ROCS, Series II-R-272, (i) (j) |
| | California State, Various Purpose, GO: |
| 3,300 | 5.50% due 4/01/2028 |
| 2,500 | 5.25% due 11/01/2029 |
| 3,200 | 5.50% due 11/01/2033 |
| | Golden State Tobacco Securitization Corporation of California Settlement Revenue Bonds: |
| 5,000 | RIB, Series RR II R 285X, 9.026% due 6/01/2043 (b) (i) (j) |
| 7,080 | RIB, Series RR II R 287X, 9.279% due 6/01/2038 (i) (j) |
| 4,050 | Series B, 5.60% due 6/01/2028 |
| 3,000 | Series B, 5.50% due 6/01/2033 (b) |
| 1,870 | Series B, 5.625% due 6/01/2033 (b) |
| 1,600 | Series B, 5.50% due 6/01/2043 (b) |
| 2,800 | Los Angeles, California, Unified School District, GO, Series S, due 1/01/2028 (g) |
| 2,000 | Poway, California, Redevelopment Agency, Tax Allocation Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) |
| 16,895 | San Francisco, California, City and County, COP (San Francisco), 5.25% due 10/01/2033 (a) |

Portfolio Abbreviations

To simplify the listings of MuniYield Quality Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

| | |
|---------|--|
| AMT | Alternative Minimum Tax (subject to) |
| COP | Certificates of Participation |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| EDA | Economic Development Authority |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Agency |
| IDA | Industrial Development Authority |
| IDB | Industrial Development Board |
| PCR | Pollution Control Revenue Bonds |
| RIB | Residual Interest Bonds |
| RITR | Residual Interest Trust Receipts |
| ROCS | Reset Option Certificates |
| S/F | Single-Family |
| VRDN | Variable Rate Demand Notes |

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (continued) (in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|---|
| Colorado - 6.4% | | Colorado Health Facilities Authority Revenue Bonds, Series (Catholic Health Initiatives), 5.50% due 3/01/2032 |
| | \$ 1,650 | (Covenant Retirement Communities Inc.), 5.50% due 11/01/2033 |
| | 1,600 | (Covenant Retirement Communities Inc.), 5.50% due 11/01/2033 |
| | 1,000 | (Covenant Retirement Communities Inc.), 5.50% due 11/01/2033 |

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| | | |
|-----------------------------|--------|--|
| | 1,530 | Colorado Housing and Finance Authority, Revenue Refunding (S/F Program), Series B-2, 6.80% due 2/01/2031 (g) |
| | 805 | (S/F Program), Series C-2, 8.40% due 10/01/2021 (e) |
| | 1,175 | Series C-2, 7.05% due 4/01/2031 (e) (g) |
| | 1,715 | Series C-2, 7.25% due 10/01/2031 (a) |
| | 465 | Series E-2, 7% due 2/01/2030 (g) |
| | 6,405 | Denver, Colorado, City and County, COP, Series B, 5.75% |
| | 15,600 | Northwest Parkway, Colorado, Public Highway Authority, Revenue Bonds, Senior Convertible, Series C, 5.345%** due |
| ----- | | |
| District of Columbia - 0.6% | 2,500 | District of Columbia Revenue Refunding Bonds (Catholic Project), 5.625% due 10/01/2029 (a) |
| ----- | | |
| Florida - 0.5% | 2,240 | Beacon Tradeport Community Development District, Florida Revenue Refunding Bonds (Commercial Project), Series A, due 5/01/2032 (j) |
| ----- | | |
| Georgia - 1.2% | 4,785 | Monroe County, Georgia, Development Authority, PCR, Ref Power Corporation-Scherer), Series A, 6.80% due 1/01/20 |
| ----- | | |
| Hawaii - 0.5% | 2,000 | Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (f) |
| ----- | | |
| Illinois - 26.6% | | Chicago, Illinois, Board of Education, GO (a): |
| | 1,750 | (Chicago School Reform Project), Series A, 5.25% due |
| | 5,000 | RIB, Series 467, 9.39% due 12/01/2027 (i) |
| | | Chicago, Illinois, Capital Appreciation, GO, Project an |
| | | (g): |
| | 1,000 | 5.422%** due 1/01/2027 |
| | 1,000 | 5.435%** due 1/01/2028 |
| | 1,000 | 5.448%** due 1/01/2029 |
| | 1,000 | 5.46%** due 1/01/2030 |
| | | Chicago, Illinois, GO (Lakefront Millennium Parking Fac |
| | 5,000 | 5.125% due 1/01/2028 |
| | 2,500 | 5.444%** due 1/01/2029 |
| | 5,000 | Chicago, Illinois, O'Hare International Airport, Genera |
| | | Refunding Bonds, Third Lien, AMT, Series A, 5.50% due 1 |
| | | Chicago, Illinois, O'Hare International Airport Revenue |
| | | Series B-2: |
| | 3,400 | 5.75% due 1/01/2023 (f) |
| | 4,000 | 5.75% due 1/01/2024 (f) |
| | 3,300 | 6% due 1/01/2029 (b) |
| | | Chicago, Illinois, O'Hare International Airport, Revenue |
| | 2,665 | 3rd Lien, Series A-2, 5.75% due 1/01/2021 (f) |
| | 6,835 | DRIVERS, Series 250, 9.318% due 1/01/2021 (g) (i) |
| | 5,000 | RIB, Series 994X, 8.58% due 1/01/2032 (g) (i) |
| | 6,200 | Cook County, Illinois, Capital Improvement, GO, Series |
| | | due 11/15/2026 (a) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|----------------------|-------------|---|
| Illinois (concluded) | \$ 2,130 | Illinois Development Finance Authority Revenue Bonds (P |

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| | | |
|----------------------|--------|---|
| | | Project), Series B, 6.25% due 9/01/2017 (f) |
| | 31,350 | Illinois Sports Facilities Authority, State Tax Support |
| | 5,500 | 5.224%** due 6/15/2030 |
| | 10,000 | 5% due 6/15/2032 |
| | 3,750 | Illinois State, GO, First Series, 5.50% due 8/01/2018 (|
| | 5,295 | Illinois Student Assistance Commission, Student Loan Re |
| | 7,000 | AMT, Sub-Series CC, 6.875% due 3/01/2015 |
| | 3,500 | Kane and De Kalb Counties, Illinois, Community Unity Sc |
| | | 302, GO, 5.80% due 2/01/2022 (d) |
| | | Metropolitan Pier and Exposition Authority, Illinois, D |
| | | Revenue Refunding Bonds (McCormick Place Expansion Proj |
| | 7,000 | 5.50% due 12/15/2024 (d) |
| | 3,500 | Series B, 5.75% due 6/15/2023 (g) |
| ----- | | |
| Indiana - 1.5% | 4,500 | Indiana Transportation Finance Authority, Highway Reven |
| | 2,000 | 5.25% due 6/01/2029 (d) |
| | | Indianapolis, Indiana, Local Public Improvement Bond Ba |
| | | (Waterworks Project), Series A, 5.25% due 7/01/2033 (g) |
| ----- | | |
| Louisiana - 3.9% | 8,500 | Louisiana Local Government, Environmental Facilities, C |
| | 6,800 | Authority Revenue Bonds (Capital Projects and Equipment |
| | 1,900 | A, 6.30% due 7/01/2030 (a) |
| | | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall A |
| | | Sub-Series A, 5.25% due 7/15/2028 (a) |
| | | Terrebonne Parish, Louisiana, Hospital Service District |
| | | Revenue Bonds (Terrebonne General Medical Center Projec |
| | | due 4/01/2033 (a) |
| ----- | | |
| Massachusetts - 4.4% | | Massachusetts Bay, Massachusetts, Transportation Author |
| | 3,730 | Transportation System, Revenue Refunding Bonds, Series |
| | 3,550 | 7% due 3/01/2011 |
| | 7,005 | 7% due 3/01/2014 |
| | 1,915 | Massachusetts State, HFA, Rental Housing Mortgage Reven |
| | 2,400 | C, 5.60% due 1/01/2045 (f) |
| | | Massachusetts State Port Authority, Special Facilities |
| | | AMT, Series 501, 8.814% due 7/01/2009 (a) (i) |
| | | Massachusetts State Special Obligation Dedicated Tax Re |
| | | due 1/01/2028 (d) |
| ----- | | |
| Michigan - 5.6% | | Detroit, Michigan, City School District, GO, Series A (|
| | 4,000 | 5.50% due 5/01/2019 |
| | 3,625 | 5.50% due 5/01/2020 |
| | 3,040 | Michigan Higher Education Student Loan Authority, Stude |
| | | Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/202 |
| | | Michigan State Strategic Fund, Limited Obligation Reven |
| | | (Detroit Edison Company Project) (b): |
| | 3,100 | 5.45% due 9/01/2029 |
| | 1,700 | AMT, Series A, 5.50% due 6/01/2030 |
| | 3,300 | AMT, Series C, 5.65% due 9/01/2029 |
| | 5,800 | AMT, Series C, 5.45% due 12/15/2032 |

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (continued) (in Thousands)

State Face Amount Municipal Bonds

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| | | |
|----------------------|----------|--|
| Nebraska - 0.5% | \$ 2,300 | Washington County, Nebraska, Wastewater Facilities Revenue Bonds (Washington County Wastewater Treatment Plant Project), AMT, 5.90% due 11/01/2027 |
| Nevada - 5.5% | 4,100 | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50% due 9/01/2033 (j) |
| | 2,000 | Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (d): |
| | 4,100 | Series A-2, 5% due 7/01/2030 |
| | 3,000 | Series A-2, 5% due 7/01/2036 |
| | | Series B, 5.25% due 7/01/2034 |
| | 1,000 | Director of the State of Nevada, Department of Business and Industry, Department of Transportation, State Revenue Bonds (Las Vegas Monorail Company Project), First Tier |
| | 4,400 | 5.625% due 1/01/2032 |
| | 5,710 | 5.375% due 1/01/2040 |
| | | Washoe County, Nevada, School District, GO, 5.875% due 1/01/2027 |
| New Hampshire - 3.5% | 10,000 | New Hampshire Health and Education Facilities Authority (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 |
| | 5,000 | New Hampshire State Business Finance Authority, PCR, Revenue Bonds (New Hampshire State Business Finance Authority, PCR, Revenue Bonds), AMT, Series D, 6% due 5/01/2021 (g) |
| New Jersey - 4.8% | 7,150 | New Jersey EDA, Cigarette Tax Revenue Bonds: |
| | 910 | 5.50% due 6/15/2024 |
| | 1,385 | 5.75% due 6/15/2029 |
| | 2,750 | 5.50% due 6/15/2031 |
| | 3,000 | New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, due 7/01/2031 (g) |
| | 6,100 | New Jersey EDA, Revenue Bonds, ROCS, Series II-R-309-2, due 6/15/2031 (i) |
| | | New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C-3, 1.82% due 1/01/2024 (f) (l) |
| New York - 10.6% | 3,500 | Erie County, New York, IDA, School Facility Revenue Bonds (Erie County School Facility Revenue Bonds), 5.75% due 5/01/2024 (f) |
| | 8,085 | New York City, New York, City Municipal Water Finance Authority, Sewer System Revenue Bonds, RITR, Series FR-6, 9.275% due 1/01/2027 (g) |
| | 2,410 | New York City, New York, GO (b): |
| | 2,590 | Series B, 5.875% due 8/15/2006 (h) |
| | 1,425 | Series B, 5.875% due 8/15/2013 |
| | | Series F, 5.75% due 2/01/2019 |
| | 3,500 | New York City, New York, GO (i): |
| | 6,920 | DRIVERS, Series 194, 9.381% due 2/01/2015 (f) |
| | 9,325 | RIB, Series 394, 9.614% due 8/01/2016 (g) |
| | 7,320 | New York City, New York, GO, Refunding, Series G, 5.75% due 2/01/2006 (f) (h) |
| | | Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A, 5.25% due 6/01/2022 (a) |
| Ohio - 1.0% | 2,500 | Columbus, Ohio, City School District, GO (School Facility Improvements), 5.25% due 12/01/2027 (f) |
| | 2,000 | Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated Hospital System-Jackson Hospital), 6.125% due 10/01/2020 (j) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

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| State | Face Amount | Municipal Bonds |
|-----------------------|--|---|
| Oklahoma - 0.8% | \$ 1,250 1,000 1,000 | Tulsa, Oklahoma, Airports Improvement Trust, General Re (Tulsa International Airport), AMT (d): Series A, 6% due 6/01/2020 Series B, 6% due 6/01/2019 Series B, 6.125% due 6/01/2026 |
| Oregon - 2.0% | 7,500 | Portland, Oregon, Sewer System Revenue Bonds, RIB, Seri due 8/01/2020 (d) (i) |
| Pennsylvania - 8.0% | 2,000 800 6,000 11,750 6,250 1,500 3,670 2,000 1,155 | Allegheny County, Pennsylvania, Port Authority, Special Bonds, 6% due 3/01/2009 (g) (h) Allegheny County, Pennsylvania, Sanitation Authority, S 5.50% due 12/01/2030 (g) Pennsylvania State Public School Building Authority, So Bonds (The School District of Philadelphia Project) (f) 5.25% due 6/01/2025 5% due 6/01/2033 Philadelphia, Pennsylvania, Authority for Industrial De Revenue Bonds, Series B, 5.50% due 10/01/2021 (f) Philadelphia, Pennsylvania, School District, GO, Series 5.625% due 8/01/2020 5.625% due 8/01/2021 5.625% due 8/01/2022 Washington County, Pennsylvania, Capital Funding Author (Capital Projects and Equipment Program), 6.15% due 12/ |
| Rhode Island - 0.6% | 2,500 | Providence, Rhode Island, GO, Series A, 5.70% due 7/15/ |
| South Carolina - 1.5% | 3,045 3,800 | South Carolina State Public Service Authority, Revenue DRIVERS, Series 277, 9.346% due 1/01/2022 (g) (h) (i) Spartanburg County, South Carolina, Solid Waste Dispos Bonds (BMW Project), AMT, 7.55% due 11/01/2024 |
| Tennessee - 6.2% | 17,000 5,000 2,075 2,390 | Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (C Corporation), 5.875% due 10/01/2024 (a) Memphis-Shelby County, Tennessee, Airport Authority, Ai AMT, Series D, 6.25% due 3/01/2018 (a) Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 6.10% due 7/01/2013 6.20% due 7/01/2015 |
| Texas - 11.7% | 4,000 1,400 1,000 1,835 2,145 2,385 | Austin, Texas, Convention Center Revenue Bonds (Convent Trust Certificates, Second Tier, Series B: 6% due 1/01/2023 5.75% due 1/01/2032 Bell County, Texas, Health Facilities Development Reven General Health Care System), 6.50% due 7/01/2019 (c) Dallas-Fort Worth, Texas, International Airport Revenue Improvement Bonds, AMT, Series A (d): 5.875% due 11/01/2017 5.875% due 11/01/2018 5.875% due 11/01/2019 |

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MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-------------------|----------------|---|
| Texas (concluded) | \$ 5,235 | Denton, Texas, Utility System Revenue Bonds, RIB, Series A, due 12/01/2017 (f) (i) |
| | 6,000 | Gregg County, Texas, Health Facilities Development Corporation Bonds (Good Shepherd Medical Center Project) (j): |
| | 2,600 | 6.875% due 10/01/2020 |
| | 4,000 | 6.375% due 10/01/2025 |
| | 100 | Harris County, Houston, Texas, Sports Authority Revenue Bonds Senior Lien, Series G, 5.75% due 11/15/2020 (g) |
| | 2,700 | Harris County, Texas, Health Facilities Development Corporation Revenue Bonds (Texas Children's Hospital), VRDN, Series A, due 10/01/2029 (g) (l) |
| | 7,200 | Houston, Texas, Airport System Revenue Refunding Bonds, 5.50% due 7/01/2030 (f) |
| | 4,600 | Texas State Turnpike Authority, Central Texas Turnpike First Tier, Series A, 5.75% due 8/15/2038 (a) |
| | 2,900 | Travis County, Texas, Health Facilities Development Corporation Refunding Bonds (Ascension Health Credit), Series A, 6.00% due 10/01/2025 (g) |
| | | White Settlement, Texas, Independent School District, G |
| Utah - 3.8% | 15,000 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds, 6.30% due 2/15/2015 (g) |
| Virginia - 2.1% | 6,000 | Fairfax County, Virginia, EDA, Resource Recovery Revenue Bonds, AMT, Series A, 6.05% due 2/01/2009 (a) |
| | 3,100 | Halifax County, Virginia, IDA, Exempt Facility Revenue Bonds (Dominion Electric Cooperative Project), AMT, 5.625% due 10/01/2025 (g) |
| Washington - 5.7% | 10,000 | Energy Northwest, Washington, Electric Revenue Bonds, D, 9.35% due 7/01/2017 (g) (i) |
| | 2,835 | King County, Washington, Sewer Revenue Refunding Bonds, due 1/01/2027 (f) |
| | 2,400 | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, due 12/01/2034 (a) |
| | 7,500 | Washington State, GO, Series A and AT-6, 6.25% due 2/01/2025 (g) |
| Wisconsin - 0.2% | 1,000 | Milwaukee County, Wisconsin, Airport Revenue Bonds, AMT, due 12/01/2025 (d) |
| | | Total Investments (Cost - \$611,244*) - 139.7% |
| | | Other Assets Less Liabilities - 2.4% |
| | | Preferred Stock, at Redemption Value - (42.1%) |
| | | Net Assets Applicable to Common Stock - 100.0% |

MuniYield Quality Fund, Inc.

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Schedule of Investments as of January 31, 2005 (continued)

- (a) AMBAC Insured.
 - (b) XL Capital Insured.
 - (c) Escrowed to maturity.
 - (d) FGIC Insured.
 - (e) FHA Insured.
 - (f) FSA Insured.
 - (g) MBIA Insured.
 - (h) Prerefunded.
 - (i) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
 - (j) Radian Insured.
 - (k) CIFG Insured.
 - (l) Security has a maturity of more than one year, but has variable rate and demand features, which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- * The cost and unrealized appreciation (depreciation) of investments as of January 31, 2005, as computed for federal income tax purposes, were as follows:

| | (in Thousands) |
|-------------------------------|----------------|
| ----- | |
| Aggregate cost | \$ 611,244 |
| | ===== |
| Gross unrealized appreciation | \$ 53,162 |
| Gross unrealized depreciation | (456) |
| | ----- |
| Net unrealized appreciation | \$ 52,706 |
| | ===== |

** Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.

Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

| | (in Thousands) | |
|---|----------------|-----------------|
| ----- | | |
| Affiliate | Net Activity | Dividend Income |
| | ----- | ----- |
| Merrill Lynch Institutional Tax-Exempt Fund | (4,970) | \$ 26 |
| | ----- | ----- |

MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2005 (concluded)

Forward interest rate swaps outstanding as of January 31, 2005 were as follows:

| | (in Thousands) | |
|-------|-----------------|-------------------------|
| ----- | | |
| | Notional Amount | Unrealized Depreciation |
| | ----- | ----- |

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Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.621%

| | | |
|---|----------|----------|
| Broker, JPMorgan Chase Bank Expires March 2015 | \$20,000 | \$ (184) |
|---|----------|----------|

Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.658%

| | | |
|---|----------|-------|
| Broker, JPMorgan Chase Bank Expires April 2015 | \$22,000 | (244) |
|---|----------|-------|

Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.251%

| | | |
|--|----------|---------|
| Broker, JPMorgan Chase Bank Expires February 2025 | \$38,000 | (1,739) |
|--|----------|---------|

Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.073%

| | | |
|---|----------|-------|
| Broker, Morgan Stanley Capital Services, Inc. Expires March 2025 | \$14,000 | (291) |
|---|----------|-------|

| | | |
|-------|--|---------------------|
| Total | | \$ (2,458) ===== |
|-------|--|---------------------|

Item 2 - Controls and Procedures

2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be

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signed on its behalf by the undersigned, thereunto duly authorized.

MuniYield Quality Fund, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.,
President
MuniYield Quality Fund, Inc.

Date: March 21, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.,
President
MuniYield Quality Fund, Inc.

Date: March 21, 2005

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Financial Officer
MuniYield Quality Fund, Inc.

Date: March 21, 2005