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MUNIYIELD QUALITY FUND INC

Form N-Q

September 29, 2006

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., Chief Executive
Officer, 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: 10/31/2006

Date of reporting period: 05/01/06 - 07/31/06

Item 1 - Schedule of Investments

MuniYield Quality Fund, Inc.
Schedule of Investments as of July 31, 2006 (in Thousands)

| State | Face Amount | Municipal Bonds |
|--------------------|-------------|--|
| Arizona - 0.6% | \$ 2,345 | Maricopa County, Arizona, Public Finance Corporation, Lease Revenue Bonds, Series 511X, 7.09% due 7/01/2014 (a) (i) |
| California - 23.8% | 4,150 | Alameda Corridor Transportation Authority, California, Capital A Refunding Bonds, Subordinate Lien, Series A, 5.45% due 10/01/2014 |
| | 1,250 | Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f) |
| | 2,940 | California State, GO, 5.50% due 4/01/2028 |
| | 4,450 | California State, GO, Refunding, 5.25% due 9/01/2010 (h) |
| | 2,300 | California State, GO, Refunding, 5.125% due 6/01/2027 |
| | 2,850 | California State, GO, Refunding, ROLS, Series II-R-272, 6.726% due 10/01/2031 (g) |
| | 3,450 | California State University, Systemwide Revenue Bonds, Series A, (d) |
| | 10,000 | California State, Various Purpose, GO, 5.25% due 11/01/2029 |
| | 3,200 | California State, Various Purpose, GO, 5.50% due 11/01/2033 |
| | 2,100 | California State, Various Purpose, GO, Refunding, 5% due 12/01/2031 (e) |
| | 1,200 | Chino Valley, California, Unified School District, GO (Election 5.25% due 8/01/2030 (g) |
| | 2,150 | East Side Union High School District, California, Santa Clara Co |

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| | | |
|--------|---------------------------------------|---|
| | 2002), Series D, 5% due 8/01/2026 (b) | |
| 5,000 | | Golden State Tobacco Securitization Corporation of California, T |
| | | Revenue Bonds, RIB, Series RR II R 285X, 7.233% due 6/01/2043 (b) |
| 7,080 | | Golden State Tobacco Securitization Corporation of California, T |
| | | Revenue Bonds, RIB, Series RR II R 287X, 7.486% due 6/01/2038 (i |
| 1,600 | | Golden State Tobacco Securitization Corporation of California, T |
| | | Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h) |
| 5,000 | | Hacienda-La Puente, California, Unified School District, GO (Ele |
| | | Series B, 5% due 8/01/2027 (f) |
| 10,650 | | Los Angeles, California, Unified School District, GO, Series 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 |
| ROLS | Reset Option Long Securities |
| S/F | Single-Family |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-------|-------------|---|
| | \$ 4,000 | Metropolitan Water District of Southern California, Waterworks R B-1, 5% due 10/01/2029 (d) |
| | 2,275 | Metropolitan Water District of Southern California, Waterworks R B-1, 5% due 10/01/2036 (d) |
| | 2,000 | Mount Diablo, California, Unified School District, GO (Election 7/01/2027 (d) |
| | 2,750 | Orange County, California, Sanitation District, COP, 5% due 2/01 |
| | 2,000 | Poway, California, Redevelopment Agency, Tax Allocation Refundin Redevelopment Project), 5.125% due 6/15/2033 (a) |
| | 2,100 | Sacramento, California, Unified School District, GO (Election of 7/01/2030 (g) |
| | 9,000 | San Diego County, California, Water Authority, Water Revenue Ref Series A, 5% due 5/01/2032 (g) |
| | 2,725 | San Mateo County, California, Community College District, GO (EL Series A, 5% due 9/01/2026 (d) |
| | 1,950 | Tamalpais, California, Union High School District, GO (Election 8/01/2028 (f) |
| | 1,700 | University of California, Limited Project Revenue Bonds, Series |

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| | | |
|-----------------------------|--------|--|
| | | (f) |
| | 3,150 | Ventura County, California, Community College District, GO (Elec B, 5% due 8/01/2030 (g)) |
| Colorado - 4.0% | 1,650 | Colorado Health Facilities Authority Revenue Bonds (Catholic Health Series A, 5.50% due 3/01/2032 (c)) |
| | 1,600 | Colorado Health Facilities Authority Revenue Bonds (Covenant Return Inc.), Series A, 5.50% due 12/01/2027 (j) |
| | 1,000 | Colorado Health Facilities Authority Revenue Bonds (Covenant Return Inc.), Series A, 5.50% due 12/01/2033 (j) |
| | 1,065 | Colorado Housing and Finance Authority, Revenue Refunding Bonds Series B-2, 6.80% due 2/01/2031 (g) |
| | 9,000 | E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Bonds, Series B, 5.485% due 9/01/2029 (g) (n) |
| | 11,125 | Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Bonds, Senior Convertible, Series C, 5.345% due 6/15/2011 (f) (n) |
| District of Columbia - 0.6% | 2,500 | District of Columbia, Revenue Refunding Bonds (Catholic University Project), 5.625% due 10/01/2029 (a) |
| Florida - 2.5% | 2,240 | Beacon Tradeport Community Development District, Florida, Special Refunding Bonds (Commercial Project), Series A, 5.625% due 5/01/2032 (d) |
| | 1,240 | Halifax Hospital Medical Center, Florida, Hospital Revenue Refunding Bonds, Series A, 5% due 6/01/2038 |
| | 2,065 | Highlands County, Florida, Health Facilities Authority, Hospital Revenue Refunding Bonds (Adventist Health System), Series C, 5.25% due 11/15/2036 |
| | 5,200 | Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series A, 5.25% due 1/01/2032 (d) |
| Georgia - 6.4% | 3,500 | Atlanta, Georgia, Airport Passenger Facility Charge and Subordinated Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f) |
| | 5,000 | Atlanta, Georgia, Airport Passenger Facility Charge, Revenue Refunding Bonds, Series II-R-517X, 6.239% due 1/01/2033 (f) (i) |
| | 4,420 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11/01/2032 (d) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|------------------|-------------|--|
| | \$ 1,675 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5.50% due 1/01/2032 (d) |
| | 5,000 | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2032 (d) |
| | 3,220 | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2032 (d) |
| | 4,785 | Monroe County, Georgia, Development Authority, PCR, Refunding Bonds (O'Connell Corporation-Scherer), Series A, 6.80% due 1/01/2011 |
| Hawaii - 0.5% | 2,000 | Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (f) |
| Illinois - 21.7% | 5,000 | Chicago, Illinois, Board of Education, GO, RIB, Series 467, 7.59% due 1/01/2028 (a) (i) |
| | 5,000 | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities), 5.50% due 1/01/2028 (g) |
| | 2,500 | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities), 5.50% due 1/01/2028 (g) |
| | 3,400 | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Series A, 5.50% due 1/01/2032 (d) |

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| | | |
|----------------|--------|---|
| | 4,000 | Series B-2, 5.75% due 1/01/2023 (f) Chicago, Illinois, O'Hare International Airport Revenue Bonds, T |
| | | Series B-2, 5.75% due 1/01/2024 (f) |
| | 3,300 | Chicago, Illinois, O'Hare International Airport Revenue Bonds, T |
| | | Series B-2, 6% due 1/01/2029 (b) |
| | 2,665 | Chicago, Illinois, O'Hare International Airport, Revenue Refundi |
| | | AMT, Series A-2, 5.75% due 1/01/2021 (f) |
| | 6,835 | Chicago, Illinois, O'Hare International Airport, Revenue Refundi |
| | | AMT, Series 250, 7.504% due 1/01/2021 (g) (i) |
| | 2,500 | Chicago, Illinois, O'Hare International Airport, Revenue Refundi |
| | | AMT, Series 844Z, 6.999% due 7/01/2010 (g) (i) |
| | 6,250 | Chicago, Illinois, O'Hare International Airport, Revenue Refundi |
| | | Series 994X, 6.81% due 1/01/2032 (g) (i) |
| | 5,080 | Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% |
| | 2,130 | Illinois Development Finance Authority Revenue Bonds (Presbyteri |
| | | Project), Series B, 6.25% due 9/01/2017 (f) |
| | 28,525 | Illinois Sports Facilities Authority, State Tax Supported Revenue |
| | | 6/15/2010 (a) (n) |
| | 5,500 | Illinois Sports Facilities Authority, State Tax Supported Revenue |
| | | 6/15/2032 (a) |
| | 3,750 | Illinois Student Assistance Commission, Student Loan Revenue Ref |
| | | Sub-Series CC, 6.875% due 3/01/2015 |
| | 7,000 | Metropolitan Pier and Exposition Authority, Illinois, Dedicated |
| | | Refunding Bonds (McCormick Place Expansion Project), 5.50% due 1 |
| | 3,500 | Metropolitan Pier and Exposition Authority, Illinois, Dedicated |
| | | Refunding Bonds (McCormick Place Expansion Project), Series B, 5 |
| | | (g) |
| ----- | | |
| Indiana - 5.2% | 3,750 | Indiana Transportation Finance Authority, Highway Revenue Bonds, |
| | | 6/01/2028 (f) |
| | 7,500 | Indiana Transportation Finance Authority, Highway Revenue Bonds, |
| | | 6/01/2029 (d) |
| | 6,470 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Reven |
| | | (Indianapolis Airport Authority Project), AMT, Series B, 5.25% d |
| | 5,055 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Reven |
| | | (Indianapolis Airport Authority Project), AMT, Series B, 5.25% d |
| ----- | | |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|------------------|-------------|--|
| ----- | | |
| Louisiana - 6.1% | \$ 8,500 | Louisiana Local Government, Environmental Facilities, Community |
| | | Revenue Bonds (Capital Projects and Equipment Acquisition), Seri |
| | | 7/01/2030 (a) |
| | 2,800 | Louisiana State Citizens Property Insurance Corporation, Assessm |
| | | Series B, 5% due 6/01/2023 (a) |
| | 4,675 | Louisiana State Transportation Authority, Senior Lien Toll Reven |
| | | Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a) (n) |
| | 6,150 | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, |
| | | Sub-Series A, 5.25% due 7/15/2028 (a) |
| | 5,000 | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, |
| | | Sub-Series A, 5% due 7/15/2033 (a) |
| | 1,900 | Terrebonne Parish, Louisiana, Hospital Service District Number 1 |

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| Bonds (Terrebonne General Medical Center Project), 5.50% due 4/0 | | |
|--|--------|--|
| Maryland - 1.3% | 5,615 | Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Series A, 5.50% due 9/01/2039 (b) |
| Massachusetts - 8.0% | 3,730 | Massachusetts Bay, Massachusetts, Transportation Authority, General Revenue Refunding Bonds, Series A, 7% due 3/01/2011 (g) |
| | 3,550 | Massachusetts Bay, Massachusetts, Transportation Authority, General Revenue Refunding Bonds, Series A, 7% due 3/01/2014 (g) |
| | 2,000 | Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Series A, 5% due 7/01/2035 |
| | 900 | Massachusetts Bay Transportation Authority, Special Assessment Revenue Bonds, Series A, 5% due 7/01/2031 |
| | 4,000 | Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, Series A, 5% due 1/01/2045 (f) |
| | 1,915 | Massachusetts State Port Authority, Special Facilities Revenue Refunding Bonds, Series 501, 6.999% due 7/01/2009 (a)(i) |
| | 14,400 | Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Refunding Bonds, Series A, 5% due 8/15/2030 (f) |
| | 2,400 | Massachusetts State Special Obligation Dedicated Tax Revenue Refunding Bonds, Series A, 5% due 1/01/2014 (d)(h) |
| | 1,210 | Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125% due 8/01/2027 (g) |
| Michigan - 4.7% | 2,350 | Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Refunding Bonds, Series A, 5.50% due 7/01/2036 (d) |
| | 5,000 | Detroit, Michigan, Water Supply System Revenue Bonds, Series B, 5.50% due 7/01/2036 (g) |
| | 2,300 | Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a) |
| | 1,700 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, Series A, 5.50% due 7/01/2036 (d) |
| | 3,300 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, Series C, 5.65% due 7/01/2036 (d) |
| | 5,800 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, Series C, 5.45% due 7/01/2036 (d) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|--|
| Nebraska - 2.0% | \$ 6,315 | Municipal Energy Agency of Nebraska, Power Supply System Revenue Refunding Bonds, Series A, 5.50% due 4/01/2033 (f) |
| | 2,300 | Washington County, Nebraska, Wastewater Facilities Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, 5.90% due 11/01/2027 |
| Nevada - 7.0% | 4,100 | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), Series A, 5.50% due 9/01/2033 (j) |
| | 2,000 | Clark County, Nevada, Airport System Subordinate Lien Revenue Refunding Bonds, Series A, 5.50% due 7/01/2030 (d) |
| | 19,100 | Clark County, Nevada, Airport System Subordinate Lien Revenue Refunding Bonds, Series A, 5.50% due 7/01/2036 (d) |
| | 5,710 | Washoe County, Nevada, School District, GO, 5.875% due 12/01/2030 |

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| | | |
|----------------------|--------|--|
| New Hampshire - 3.5% | 10,000 | New Hampshire Health and Education Facilities Authority Revenue (Dartmouth-Hitchcock Obligation Group, 5.50% due 8/01/2027 (f)) |
| | 5,000 | New Hampshire State Business Finance Authority, PCR, Refunding (Company), AMT, Series D, 6% due 5/01/2021 (g) |
| New Jersey - 6.0% | 910 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2029 |
| | 1,385 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031 |
| | 5,500 | New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, (g) |
| | 3,575 | New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-1, 7.233% d |
| | 3,000 | New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-2, 7.233% d |
| | 3,860 | New Jersey EDA, School Facilities Construction Revenue Bonds, Se 3/01/2028 |
| | 7,500 | New Jersey EDA, School Facilities Construction Revenue Bonds, Se 3/01/2030 |
| New York - 6.6% | 8,990 | Metropolitan Transportation Authority, New York, Transportation A, 5% due 11/15/2032 (d) |
| | 6,920 | New York City, New York, GO, RIB, Series 394, 7.814% due 8/01/20 |
| | 265 | New York City, New York, GO, Refunding, Series G, 5.75% due 2/01 |
| | 140 | New York City, New York, GO, Series F, 5.75% due 2/01/2019 (b) |
| | 8,000 | New York State Thruway Authority, General Revenue Refunding Bond 1/01/2032 (f) |
| | 3,570 | Tobacco Settlement Financing Corporation of New York Revenue Bon due 6/01/2022 (a) |
| Ohio - 1.1% | 2,500 | Columbus, Ohio, City School District, GO (School Facilities Cons Improvements), 5.25% due 12/01/2027 (f) |
| | 2,000 | Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated H Hospital), 6.125% due 10/01/2009 (h) (j) |
| Oklahoma - 0.5% | 1,000 | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bon International Airport), AMT, Series B, 6% due 6/01/2019 (d) |
| | 1,000 | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bon International Airport), AMT, Series B, 6.125% due 6/01/2026 (d) |
| Oregon - 1.9% | 7,500 | Portland, Oregon, Sewer System Revenue Bonds, RIB, Series 386, 7 (d) (i) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|---------------------|-------------|--|
| Pennsylvania - 6.7% | \$ 6,000 | Pennsylvania State Public School Building Authority, School Leas School District of Philadelphia Project), 5.25% due 6/01/2025 (f) |
| | 16,725 | Pennsylvania State Public School Building Authority, School Leas School District of Philadelphia Project), 5% due 6/01/2033 (f) |
| | 6,250 | Philadelphia, Pennsylvania, Authority for Industrial Development Bonds, Series B, 5.50% due 10/01/2021 (f) |
| Rhode Island - 0.6% | 2,500 | Providence, Rhode Island, GO, Series A, 5.70% due 7/15/2007 (f) (|

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| | | |
|-----------------------|--------|--|
| South Carolina - 3.6% | 3,750 | Berkeley County, South Carolina, School District, Installment Le (Securing Assets for Education Project), 5.125% due 12/01/2030 |
| | 3,200 | Kershaw County, South Carolina, Public Schools Foundation, Insta Refunding Bonds, 5% due 12/01/2029 (k) |
| | 8,900 | South Carolina Transportation Infrastructure Bank Revenue Bonds, 10/01/2033 (a) |
| ----- | | |
| Tennessee - 4.1% | 7,850 | Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Corporation), 5.875% due 10/01/2024 (a) |
| | 5,000 | Memphis-Shelby County, Tennessee, Airport Authority, Airport Rev Series D, 6.25% due 3/01/2018 (a) |
| | 2,075 | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.1 |
| | 2,390 | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.2 |
| ----- | | |
| Texas - 12.3% | 2,000 | Austin, Texas, Convention Center Revenue Bonds (Convention Enter Certificates, Second Tier, Series B, 6% due 1/01/2023 |
| | 1,000 | Bell County, Texas, Health Facilities Development Revenue Bonds Health Care System), 6.50% due 7/01/2019 (c) |
| | 1,835 | Dallas-Fort Worth, Texas, International Airport Revenue Refundin Bonds, AMT, Series A, 5.875% due 11/01/2017 (d) |
| | 2,145 | Dallas-Fort Worth, Texas, International Airport Revenue Refundin Bonds, AMT, Series A, 5.875% due 11/01/2018 (d) |
| | 2,385 | Dallas-Fort Worth, Texas, International Airport Revenue Refundin Bonds, AMT, Series A, 5.875% due 11/01/2019 (d) |
| | 5,235 | Denton, Texas, Utility System Revenue Bonds, RIB, Series 369, 8. (f) (i) |
| | 6,000 | Gregg County, Texas, Health Facilities Development Corporation, Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2 |
| | 2,600 | Gregg County, Texas, Health Facilities Development Corporation, Bonds (Good Shepherd Medical Center Project), 6.375% due 10/01/2 |
| | 4,000 | Harris County-Houston Sports Authority, Texas, Revenue Refunding Series G, 5.75% due 11/15/2020 (g) |
| | 9,250 | Leander, Texas, Independent School District, Capital Appreciatio (School Building), 5.46% due 8/15/2028 (d) (n) |
| | 13,350 | Leander, Texas, Independent School District, Capital Appreciatio (School Building), 5.58% due 8/15/2035 (n) |

MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|--|
| | \$ 7,150 | North Harris County, Texas, Regional Water Authority, Senior Lie 5.125% due 12/15/2035 (g) |
| | 7,200 | Texas State Turnpike Authority, Central Texas Turnpike System Re Tier, Series A, 5.75% due 8/15/2038 (a) |
| | 4,600 | Travis County, Texas, Health Facilities Development Corporation, Bonds (Ascension Health Credit), Series A, 6.25% due 11/15/2009 |
| ----- | | |
| Utah - 3.7% | 15,000 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hosp due 2/15/2015 (g) |
| ----- | | |
| Virginia - 0.7% | 3,100 | Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a) |
| ----- | | |

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| | | |
|---|-------|---|
| Washington - 4.8% | 7,500 | Energy Northwest, Washington, Electric Revenue Bonds, DRIVERS, S 7/01/2017 (g) (i) |
| | 2,400 | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, S (a) |
| | 5,100 | Tacoma, Washington, Regional Water Supply System, Water Revenue 12/01/2032 (g) |
| | 5,000 | Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f) |
| ----- | | |
| Puerto Rico - 2.2% | 1,475 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Serie 7/01/2031 |
| | 8,300 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Serie 7/01/2029 |
| ----- | | |
| Total Municipal Bonds (Cost - \$667,972) - 152.7% | | |
| ----- | | |

Shares
Held Short-Term Securities

| | |
|---|--|
| 4,300 | Merrill Lynch Institutional Tax-Exempt Fund, 3.45% (l) (m) |
| ----- | |
| Total Short-Term Securities (Cost - \$4,300) - 1.0% | |
| ----- | |
| Total Investments (Cost - \$672,272*) - 153.7% | |
| Other Assets Less Liabilities - 1.6% | |
| Preferred Stock, at Redemption Value - (55.3%) | |
| Net Assets Applicable to Common Stock - 100.0% | |

* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2006, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|------------|
| Aggregate cost | \$ 672,272 |
| | ===== |
| Gross unrealized appreciation | \$ 25,546 |
| Gross unrealized depreciation | (1,701) |
| | ----- |
| Net unrealized appreciation | \$ 23,845 |
| | ===== |

- (a) AMBAC Insured.
- (b) XL Capital Insured.
- (c) Escrowed to maturity.
- (d) FGIC Insured.
- (e) Assured Guaranty 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.

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Schedule of Investments as of July 31, 2006

(in Thousands)

- (k) CIFG Insured.
- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

| Affiliate | Net Activity | Dividend Income |
|---|-----------------|--------------------|
| Merrill Lynch Institutional Tax-Exempt Fund | (7,200) | \$ 107 |

- (m) Represents the current yield as of July 31, 2006.
- (n) Represents a step or zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- o Forward interest rate swaps outstanding as of July 31, 2006 were as follows:

| | Notional Amount | Un- Dep |
|---|--------------------|------------|
| Pay a fixed rate of 4.168% and receive a floating rate based on a 1-week Bond Market Association rate | | |
| Broker, JPMorgan Chase Bank Expires August 2016 | \$ 40,000 | \$ |
| Pay a fixed rate of 4.285% and receive a floating rate based on a 1-week Bond Market Association rate | | |
| Broker, JPMorgan Chase Bank Expires September 2021 | \$ 12,500 | |
| Total | | \$ === |

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.

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

MuniYield Quality Fund, Inc.

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

Robert C. Doll, Jr.
Chief Executive Officer
MuniYield Quality Fund, Inc.

Date: September 20, 2006

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.
Chief Executive Officer
MuniYield Quality Fund, Inc.

Date: September 20, 2006

By: /s/ Donald C. Burke

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

Date: September 20, 2006