

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

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 (g)
	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, 5.25% due 10/01/2032 (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 (g) (a) (i)
	5,000	Chicago, Illinois, GO (Lakefront Millennium Parking Facilities), 7.59% due 1/01/2028 (g)
	2,500	Chicago, Illinois, GO (Lakefront Millennium Parking Facilities), 7.59% due 1/01/2028 (g)
	3,400	Chicago, Illinois, O'Hare International Airport Revenue Bonds, T

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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
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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 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 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 Bonds, Series A, 5.50% due 7/01/2036 (d)
	5,000	Detroit, Michigan, Water Supply System Revenue Bonds, Series B, Series A, 5.50% due 7/01/2036 (g)
	2,300	Michigan Higher Education Student Loan Authority, Student Loan Revenue 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 (f)
	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 (f)
	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 (f)

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 Bonds (Washington County Wastewater Treatment Plant Improvement 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 Bonds, Series A, 5.50% due 7/01/2030 (d)
	19,100	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series B, 5.50% due 7/01/2036 (d)
	5,710	Washoe County, Nevada, School District, GO, 5.875% due 12/01/2030 (f)

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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.

MuniYield Quality Fund, Inc.



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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