

NUVEEN NORTH CAROLINA DIVIDEND ADVANTAGE MUNICIPAL FUND 2

Form N-Q

April 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT
COMPANY

Investment Company Act file number 811-10525

Nuveen North Carolina Dividend Advantage Municipal Fund 2
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive, Chicago, Illinois 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Vice President and Secretary
333 West Wacker Drive, Chicago, Illinois 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: 312-917-7700

Date of fiscal year end: 5/31

Date of reporting period: 2/29/12

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Schedule of Investments

Portfolio of Investments (Unaudited)
 Nuveen North Carolina Dividend Advantage Municipal Fund 2
 (NNO)
 February 29, 2012

Principal Amount (000)	Description (1)	Optional Call Provisions (2)	Ratings (3)	Value
	Education and Civic Organizations – 8.2% (5.3% of Total Investments) Appalachian State University, North Carolina, Housing and Student Center System Revenue Refunding Bonds, Series 2002:			
\$ 1,040	5.000%, 7/15/14 – NPMG Insured	7/12 at 100.00	Aa3	\$ 1,057,722
1,000	5.000%, 7/15/15 – NPMG Insured	7/12 at 100.00	Aa3	1,015,310
800	North Carolina Capital Facilities Financing Agency, Revenue Bonds, Johnson and Wales University, Series 2003A, 5.000%, 4/01/33 – SYNCORA GTY Insured	4/13 at 100.00	N/R	806,248
1,000	University of North Carolina System, Pooled Revenue Bonds, Series 2005A, 5.000%, 4/01/22 – AMBAC Insured	4/15 at 100.00	A+	1,101,580
500	University of North Carolina Wilmington, Certificates of Participation, Student Housing Project Revenue Bonds, Series 2006, 5.000%, 6/01/21 – FGIC Insured	6/16 at 100.00	A–	546,675
250	University of North Carolina, Charlotte, Certificates of Participation, Student Housing Project, Series 2005, 5.000%, 3/01/21 – AMBAC Insured	3/15 at 100.00	A	269,148
4,590	Total Education and Civic Organizations			4,796,683
	Health Care – 35.2% (22.7% of Total Investments) Albemarle Hospital Authority, North Carolina, Health Care Facilities Revenue Bonds, Series 2007, 5.250%, 10/01/38	10/17 at 100.00	N/R	945,294
500	Charlotte-Mecklenberg Hospital Authority, North Carolina, Carolinas HealthCare System Revenue Bonds, Series 2008A, 5.000%, 1/15/47	1/18 at 100.00	AA–	521,415
750	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Refunding Revenue Bonds, Carolinas HealthCare System, Series 2009A, 5.250%, 1/15/39	1/19 at 100.00	AA–	813,593
1,000	Charlotte-Mecklenberg Hospital Authority, North Carolina, Health Care Revenue Bonds, Carolinas HealthCare System, Series 2011A, 5.250%, 1/15/42	1/21 at 100.00	AA–	1,101,620

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1,640	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, Carolinas Healthcare System, Series 2001A, 5.000%, 1/15/31	7/12 at 100.00	AA-	1,641,837
500	Johnston Memorial Hospital Authority, North Carolina, Mortgage Revenue Bonds, Johnston Memorial Hospital Project, Series 2008A, 5.250%, 10/01/36 – AGM Insured	4/18 at 100.00	AA-	542,315
120	New Hanover County, North Carolina, Hospital Revenue Bonds, New Hanover Regional Medical Center, Series 2006B, 5.125%, 10/01/31 – AGM Insured	10/19 at 100.00	AA-	130,848
1,250	North Carolina Medical Care Commission Health Care Facilities Revenue Bonds Novant Health Inc., Series 2010A: 5.250%, 11/01/40	11/20 at 100.00	A+	1,328,150
1,000	North Carolina Medical Care Commission, Health Care Facilities Refunding Revenue Bonds, Blue Ridge HealthCare, Series 2010A, 5.000%, 1/01/36	11/20 at 100.00	A+	1,038,060
1,000	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Appalachian Regional HealthCare System, Series 2011A, 6.500%, 7/01/31	1/20 at 100.00	A	1,015,810
500	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, Cleveland County Healthcare System, Refunding Series 2011A, 5.750%, 1/01/35	7/21 at 100.00	BBB+	574,090
680	North Carolina Medical Care Commission, Health Care Facilities Revenue Bonds, WakeMed, Series 2009A, 5.625%, 10/01/38 – AGC Insured	1/21 at 100.00	A	742,159
455	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Novant Health Obligated Group, Series 2003A, 5.000%, 11/01/20	10/14 at 100.00	AA-	473,960
2,000	North Carolina Medical Care Commission, Healthcare Facilities Revenue Bonds, Union Regional Medical Center, Series 2002A, 5.250%, 1/01/13	11/13 at 100.00	A+	2,104,840
1,005	North Carolina Medical Care Commission, Hospital Revenue Bonds, Southeastern Regional Medical Center, Series 2002: 5.500%, 6/01/15	7/12 at 100.00	AA-	1,008,437
1,000	North Carolina Medical Care Commission, Hospital Revenue Bonds, Wilson Medical Center, Series 2007, 5.000%, 11/01/27	6/12 at 101.00	A	1,019,270
2,100	North Carolina Medical Care Commission, Revenue Bonds, Blue Ridge Healthcare System, Series 2005, 5.000%, 1/01/33 – FGIC Insured	6/12 at 101.00	A	2,129,984
925	North Carolina Medical Care Commission, Revenue Bonds, Cleveland County Healthcare System, Series 2004A: 5.250%, 11/01/27	11/17 at 100.00	A-	968,373
1,250	North Carolina Medical Care Commission, Revenue Bonds, Cleveland County Healthcare System, Series 2004A: 5.250%, 11/01/27	1/15 at 100.00	A	1,263,250

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		7/14 at		
595	5.250%, 7/01/20 – AMBAC Insured	100.00	A	626,309
		7/14 at		
500	5.250%, 7/01/22 – AMBAC Insured	100.00	A	522,900
	Northern Hospital District of Surry County, North Carolina, Health	4/18 at		
150	Care Facilities Revenue	100.00	BBB	159,852
	Bonds, Series 2008, 6.250%, 10/01/38			
19,985	Total Health Care			20,672,366
	Housing/Single Family – 3.2% (2.1% of Total Investments)			
	North Carolina Housing Finance Agency, Home Ownership Revenue	7/12 at		
265	Bonds, 1998 Trust Agreement,	100.00	AA	265,188
	Series 10A, 5.400%, 7/01/32 – AMBAC Insured (Alternative			
	Minimum Tax)			
	North Carolina Housing Finance Agency, Home Ownership Revenue			
	Bonds, Series 13A:			
		5/12 at		
495	4.700%, 7/01/12 (Alternative Minimum Tax)	100.00	AA	496,282
		7/12 at		
500	4.850%, 7/01/13 (Alternative Minimum Tax)	100.00	AA	501,090
	North Carolina Housing Finance Agency, Home Ownership Revenue	1/21 at		
100	Bonds, Series 2011-1,	100.00	AA	105,209
	4.500%, 1/01/28			
	North Carolina Housing Finance Agency, Home Ownership Revenue	7/16 at		
500	Bonds, Series 25-A, 4.900%,	100.00	AA	506,890
	7/01/37 (Alternative Minimum Tax)			
1,860	Total Housing/Single Family			1,874,659
	Long-Term Care – 1.8% (1.2% of Total Investments)			
	North Carolina Medical Care Commission, Healthcare Facilities			
	Revenue Bonds, Presbyterian			
	Homes, Series 2006:			
		10/16 at		
250	5.400%, 10/01/27	100.00	N/R	250,893
		10/16 at		
600	5.500%, 10/01/31	100.00	N/R	600,930
	North Carolina Medical Care Commission, Revenue Bonds, Pines at	1/16 at		
185	Davidson, Series 2006A,	100.00	N/R	185,982
	5.000%, 1/01/36			
1,035	Total Long-Term Care			1,037,805
	Materials – 0.5% (0.3% of Total Investments)			
	Columbus County Industrial Facilities and Pollution Control	3/17 at		
300	Financing Authority, North	100.00	BBB	300,597
	Carolina, Environmental Improvement Revenue Bonds, International			
	Paper Company Project,			
	Series 2007A, 4.625%, 3/01/27			
	Tax Obligation/General – 9.7% (6.3% of Total Investments)			
	Durham, North Carolina, General Obligation Bonds, Series 2007,	4/17 at		
1,475	5.000%, 4/01/22	100.00	AAA	1,744,556
	Forsyth County, North Carolina, General Obligation Bonds, Limited	4/20 at		
1,050	Obligation Series 2009,	100.00	AA+	1,207,532
	5.000%, 4/01/30			
500			AAA	541,540

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	North Carolina State, General Obligation Bonds, Series 2004A, 5.000%, 3/01/22	3/14 at 100.00		
2,000	Wake County, North Carolina, Limited Obligation Bonds, Series 2010, 5.000%, 1/01/37	1/20 at 100.00	AA+	2,229,420
5,025	Total Tax Obligation/General Tax Obligation/Limited – 32.2% (20.8% of Total Investments)			5,723,048
1,750	Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G, 5.000%, 6/01/28	6/13 at 100.00	AA+	1,796,113
575	Charlotte, North Carolina, Certificates of Participation, Transit Projects Phase 2, Series 2008A, 5.000%, 6/01/33	6/18 at 100.00	AA+	622,547
1,850	Charlotte, North Carolina, Storm Water Fee Revenue Bonds, Series 2002, 5.250%, 6/01/18	6/12 at 101.00	AAA	1,890,423
800	Craven County, North Carolina, Certificates of Participation, Series 2007, 5.000%, 6/01/27 – NPFPG Insured	6/17 at 100.00	AA–	874,656
265	Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.125%, 1/01/42	1/22 at 100.00	A	287,803
500	Harnett County, North Carolina, Certificates of Participation, Series 2009, 5.000%, 6/01/29 – AGC Insured	6/19 at 100.00	AA–	549,515
715	Lee County, North Carolina, Certificates of Participation, Public Schools and Community College, Series 2004, 5.250%, 4/01/20 – AGM Insured	4/14 at 100.00	AA–	762,147
1,750	North Carolina Turnpike Authority, Monroe Connector System State Appropriation Bonds, Series 2011, 5.000%, 7/01/41	7/21 at 100.00	AA	1,967,140
1,380	Pasquotank County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/25 – NPFPG Insured	6/14 at 100.00	A	1,432,868
2,070	Pitt County, North Carolina, Certificates of Participation, School Facilities Project, Series 2004B, 5.000%, 4/01/29 – AMBAC Insured	4/14 at 100.00	AA–	2,206,185
2,625	Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2010A, 0.000%, 8/01/35	No Opt. Call	A+	735,735
805	Raleigh, North Carolina, Certificates of Participation, Downtown Improvement Project, Series 2004B: 5.000%, 6/01/20	6/14 at 100.00	AA+	859,764
1,310	5.000%, 6/01/21	6/14 at 100.00	AA+	1,392,150
115	Raleigh, North Carolina, Certificates of Participation, Series 2007, 5.000%, 2/01/27	2/17 at 100.00	AA+	126,023
1,000	Randolph County, North Carolina, Certificates of Participation, Series 2004, 5.000%, 6/01/20 – AGM Insured	6/14 at 102.00	AA–	1,082,070
100	Rutherford County, North Carolina, Certificates of Participation, Series 2007, 5.000%,	12/17 at 100.00	AA–	110,251

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	12/01/27 – AGM Insured			
1,150	Sampson County, North Carolina, Certificates of Participation, Series 2006, 5.000%, 6/01/34 – AGM Insured (UB)	6/17 at 100.00	AA–	1,217,643
500	Wilmington, North Carolina, Certificates of Participation, Series 2008A, 5.000%, 6/01/29	6/18 at 100.00	AA	553,470
400	Wilson County, North Carolina, Certificates of Participation, School Facilities Project, Series 2007, 5.000%, 4/01/25 – AMBAC Insured	4/17 at 100.00	Aa3	435,316
19,660	Total Tax Obligation/Limited Transportation – 14.1% (9.1% of Total Investments)			18,901,819
1,000	Charlotte, North Carolina, Airport Revenue Bonds, Charlotte Douglas International Refunding Series 2010A, 5.000%, 7/01/39	7/20 at 100.00	Aa3	1,090,620
1,935	Charlotte, North Carolina, Airport Revenue Bonds, Series 2004A, 5.000%, 7/01/34 – NPMFG Insured	7/14 at 100.00	Aa3	1,996,688
660	North Carolina State Ports Authority, Port Facilities Revenue Bonds, Senior Lien Series 2010A, 5.250%, 2/01/40	2/20 at 100.00	A3	717,110
	North Carolina Turnpike Authority, Triangle Expressway System Revenue Bonds, Series 2009A:			
90	5.375%, 1/01/26 – AGC Insured	1/19 at 100.00	AA–	102,438
220	5.500%, 1/01/29 – AGC Insured	1/19 at 100.00	AA–	248,613
430	5.750%, 1/01/39 – AGC Insured	1/19 at 100.00	AA–	482,120
	North Carolina Turnpike Authority, Triangle Expressway System Senior Lien Revenue Bonds, Series 2009B:			
150	0.000%, 1/01/31 – AGC Insured	No Opt. Call	AA–	63,387
125	0.000%, 1/01/33 – AGC Insured	No Opt. Call	AA–	47,215
50	0.000%, 1/01/35 – AGC Insured	No Opt. Call	AA–	16,984
5,600	0.000%, 1/01/37 – AGC Insured	No Opt. Call	AA–	1,709,736
350	0.000%, 1/01/38 – AGC Insured	No Opt. Call	AA–	101,105
435	Piedmont Triad Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A, 5.000%, 7/01/20 – SYNCORA GTY Insured	7/15 at 100.00	A–	472,819
1,100	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Refunding Series 2010A, 5.000%, 5/01/36	No Opt. Call	Aa3	1,215,929
12,145	Total Transportation			8,264,764
	U.S. Guaranteed – 12.1% (7.8% of Total Investments) (4)			
30	Cabarrus County, North Carolina, Certificates of Participation, Series 2002, 5.250%, 2/01/16 (Pre-refunded 2/01/13)	2/13 at 100.00	AA (4)	31,397

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200	Charlotte-Mecklenburg Hospital Authority, North Carolina, Healthcare System Revenue Bonds, DBA Carolinas Healthcare System, Series 2005A, 5.000%, 1/15/45 (Pre-refunded 1/15/15) Hartnett County, North Carolina, Certificates of Participation, Series 2002:	1/15 at 100.00	AA+ (4)	226,482
1,000	5.250%, 12/01/15 (Pre-refunded 12/01/12) – AGM Insured	12/12 at 101.00	AA– (4)	1,048,500
2,025	5.375%, 12/01/16 (Pre-refunded 12/01/12) – AGM Insured	12/12 at 101.00	AA– (4)	2,125,116
500	North Carolina Medical Care Commission, Revenue Bonds, Northeast Medical Center, Series 2004, 5.000%, 11/01/24 (Pre-refunded 11/01/14) Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2004:	11/14 at 100.00	Aa3 (4)	560,230
1,000	5.000%, 3/01/21 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,093,320
1,250	5.000%, 3/01/22 (Pre-refunded 3/01/14)	3/14 at 100.00	AAA	1,366,650
130	University of North Carolina System, Pooled Revenue Bonds, Series 2002B, 5.375%, 4/01/19 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	A+ (4)	134,000
505	University of North Carolina System, Pooled Revenue Refunding Bonds, Series 2002A, 5.375%, 4/01/19 (Pre-refunded 10/01/12) – AMBAC Insured	10/12 at 100.00	N/R (4)	520,509
6,640	Total U.S. Guaranteed Utilities – 7.2% (4.6% of Total Investments)			7,106,204
500	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series 2005, 5.250%, 1/01/20 – AMBAC Insured North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds, Series 1993B:	1/16 at 100.00	A–	566,180
745	5.500%, 1/01/17 – FGIC Insured	7/12 at 100.00	Baa1	747,742
15	5.500%, 1/01/21	7/12 at 100.00	A–	15,040
225	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Refunding Series 2009A, 5.000%, 1/01/30	1/19 at 100.00	A	247,874
2,600	Wake County Industrial Facilities and Pollution Control Financing Authority, North Carolina, Revenue Refunding Bonds, Carolina Power and Light Company, Series 2002, 5.375%, 2/01/17	2/13 at 100.50	A1	2,636,218
4,085	Total Utilities Water and Sewer – 30.7% (19.8% of Total Investments)			4,213,054
500	Brunswick County, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 4/01/31 – AGM Insured	4/18 at 100.00	AA–	557,175
500	Cape Fear Public Utility Authority, North Carolina, Water & Sewer System Revenue Bonds, Series	8/18 at 100.00	AA	563,235

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	2008, 5.000%, 8/01/35			
1,520	Charlotte, North Carolina, Water and Sewerage System Revenue Bonds, Series 2002A, 5.250%, 7/01/13	No Opt. Call	AAA	1,622,478
500	Dare County, North Carolina, Utilities System Revenue Bonds, Series 2011, 5.000%, 2/01/41	2/21 at 100.00	AA	555,620
1,000	Durham County, North Carolina, Enterprise System Revenue Bonds, Series 2002, 5.000%, 6/01/23 – NPFPG Insured	6/13 at 100.00	AA	1,046,060
3,050	Durham, North Carolina, Utility System Revenue Bonds, Refunding Series 2011, 5.000%, 6/01/41	6/21 at 100.00	AAA	3,443,603
610	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2008A, 5.000%, 6/01/23 – NPFPG Insured	6/18 at 100.00	A2	676,148
700	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2009A, 6.000%, 6/01/34 – AGC Insured	6/19 at 100.00	AA–	802,781
500	Oak Island, North Carolina, Enterprise System Revenue Bonds, Series 2011, 5.750%, 6/01/36 – AGC Insured	6/21 at 100.00	AA–	575,240
3,095	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A: 5.000%, 3/01/31 (UB)	3/16 at 100.00	AAA	3,458,941
975	Raleigh, North Carolina, Combined Enterprise System Revenue Bonds, Series 2006A, Residuals Series 11-R-645-2, 13.656%, 3/01/14 (IF)	3/16 at 100.00	AAA	1,074,440
40	Wilmington, North Carolina, Water and Sewer Revenue Bonds, Series 2005, 5.000%, 6/01/25 – AGM Insured	No Opt. Call	AAA	54,108
1,000	Winston-Salem, North Carolina, Water and Sewer System Revenue Bonds, Series 2007A, 5.000%, 6/01/37 (UB)	6/15 at 100.00	AA	1,116,500
2,275		6/17 at 100.00	AAA	2,484,778
16,265	Total Water and Sewer			18,031,107
\$				
91,590	Total Investments (cost \$84,959,687) – 154.9%			90,922,106
	Floating Rate Obligations – (8.2)%			(4,805,000)
	MuniFund Term Preferred Shares, at Liquidation Value – (50.6)% (5)			(29,700,000)
	Other Assets Less Liabilities – 3.9%			2,276,121
				\$
	Net Assets Applicable to Common Shares – 100%			58,693,227

Fair Value Measurements

Fair value is defined as the price that the Fund would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of February 29, 2012:

	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Bonds	\$—	\$90,922,106	\$—	\$90,922,106

During the period ended February 29, 2012, the Fund recognized no significant transfers to or from Level 1, Level 2 or Level 3.

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

At February 29, 2012, the cost of investments was \$80,128,988.

Gross unrealized appreciation and gross unrealized depreciation of investments at February 29, 2012, were as follows:

Gross unrealized:	
Appreciation	\$6,090,976
Depreciation	(103,777)

Net unrealized appreciation (depreciation) of investments

\$5,987,199

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (5) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 32.7%.
- N/R Not rated.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.
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Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: See EX-99 CERT attached hereto.

SIGNATURES

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.

(Registrant) Nuveen North Carolina Dividend Advantage Municipal Fund 2

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date April 27, 2012

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 (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer (principal executive officer)

Date April 27, 2012

By (Signature and Title) /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller (principal financial officer)

Date April 27, 2012