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BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

April 02, 2007

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: BlackRock 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, BlackRock 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: 10/31/2007

Date of reporting period: 11/01/06 - 01/31/07

Item 1 - Schedule of Investments

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2007

(in Thousands)

| State              | Face<br>Amount | Municipal Bonds  |
|--------------------|----------------|--|
| Alabama - 0.7%     | \$ 3,000       | Jefferson County, Alabama, Limited Obligation School Warrants, S<br>due 1/01/2025  |
| California - 18.7% | 4,150          | Alameda Corridor Transportation Authority, California, Capital A<br>Refunding Bonds, Subordinate Lien, Series A, 5.45% due 10/01/201 |
|                    | 1,250          | Anaheim, California, Public Financing Authority, Electric System<br>Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f)        |
|                    | 2,790          | California State, GO, 5.50% due 4/01/2014 (h)  |
|                    | 150            | 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  |
|                    | 3,450          | California State University, Systemwide Revenue Bonds, Series A,   |
|                    | 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  |
|                    | 3,875          | Chabot-Las Positas, California, Community College District, GO (   |
|                    |                | Series B, 4.812% due 8/01/2025 (a) (n)   |
|                    | 1,200          | Chino Valley, California, Unified School District, GO (Election  |
|                    |                | 5.25% due 8/01/2030 (g)  |

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|       |   |
|-------|---|
| 2,150 | East Side Union High School District, California, Santa Clara Co (Election of Officers, Series D, 5% due 8/01/2026 (b)          |
| 1,600 | Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h)     |
| 5,000 | Hacienda-La Puente, California, Unified School District, GO (Election of Officers), Series B, 5% due 8/01/2027 (f)              |
| 7,300 | Los Angeles, California, Unified School District, GO, Series A, 5% due 8/01/2027 (f)  |
| 4,000 | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2029 (d)                 |
| 2,275 | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2036 (d)                 |
| 2,000 | Mount Diablo, California, Unified School District, GO (Election of Officers), due 7/01/2027 (d)                                 |
| 2,750 | Orange County, California, Sanitation District, COP, 5% due 2/01/2027 (f)   |
| 2,000 | Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Covenant Redemption Project), 5.125% due 6/15/2033 (a) |

Portfolio Abbreviations

To simplify the listings of BlackRock 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           |
| IDR     | Industrial Development Revenue Bonds   |
| PCR     | Pollution Control Revenue Bonds        |
| S/F     | Single-Family                          |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2007

(in Thousands)

| State           | Face Amount | Municipal Bonds   |
|-----------------|-------------|---|
|                 | \$ 2,100    | Sacramento, California, Unified School District, GO (Election of Officers), due 7/01/2030 (g)                       |
|                 | 9,000       | San Diego County, California, Water Authority, Water Revenue Refunding Bonds, Series A, 5% due 5/01/2032 (g)        |
|                 | 2,725       | San Mateo County, California, Community College District, GO (Election of Officers), Series A, 5% due 9/01/2026 (d) |
|                 | 1,950       | Tamalpais, California, Union High School District, GO (Election of Officers), due 8/01/2028 (f)                     |
|                 | 3,150       | Ventura County, California, Community College District, GO (Election of Officers), Series B, 5% due 8/01/2030 (g)   |
| Colorado - 4.0% | 1,650       | Colorado Health Facilities Authority Revenue Bonds (Catholic Health Services), Series A, 5.50% due 3/01/2032 (c)    |
|                 | 1,600       | Colorado Health Facilities Authority Revenue Bonds (Covenant Redemption Project)                                    |

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|                  |        |   |
|------------------|--------|---|
|                  |        | Inc.), Series A, 5.50% due 12/01/2027 (j)                         |
|                  | 1,000  | Colorado Health Facilities Authority Revenue Bonds (Covenant Ret  |
|                  |        | Inc.), Series A, 5.50% due 12/01/2033 (j)                         |
|                  | 985    | 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 R  |
|                  |        | Series B, 5.485% due 9/01/2029 (g) (n)                            |
|                  | 11,125 | Northwest Parkway, Colorado, Public Highway Authority, Capital A  |
|                  |        | Bonds, Senior Convertible, Series C, 5.345% due 6/15/2011 (f) (n) |
| -----            |        |   |
| District of      | 1,200  | District of Columbia, COP, 5% due 1/01/2025 (d)                   |
| Columbia - 0.8%  | 2,500  | District of Columbia, Revenue Refunding Bonds (Catholic Universi  |
|                  |        | 5.625% due 10/01/2029 (a)   |
| -----            |        |   |
| Florida - 2.8%   | 2,235  | Beacon Tradeport Community Development District, Florida, Specia  |
|                  |        | Refunding Bonds (Commercial Project), Series A, 5.625% due 5/01/  |
|                  | 2,065  | Highlands County, Florida, Health Facilities Authority, Hospital  |
|                  |        | (Adventist Health System), Series C, 5.25% due 11/15/2036         |
|                  | 2,700  | Highlands County, Florida, Health Facilities Authority, Hospital  |
|                  |        | Bonds (Adventist Health System), Series G, 5.125% due 11/15/2032  |
|                  | 5,200  | Orange County, Florida, Sales Tax Revenue Refunding Bonds, Serie  |
|                  |        | due 1/01/2032 (d)   |
| -----            |        |   |
| Georgia - 5.4%   | 3,500  | Atlanta, Georgia, Airport Passenger Facility Charge and Subordin  |
|                  |        | Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f)           |
|                  | 4,270  | Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11/  |
|                  | 1,200  | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,   |
|                  | 1,675  | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,   |
|                  | 5,000  | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01  |
|                  | 2,820  | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01  |
|                  | 4,785  | Monroe County, Georgia, Development Authority, PCR, Refunding (O  |
|                  |        | 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 - 16.3% | 5,000  | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities),  |
|                  |        | due 1/01/2009 (g) (h)   |
|                  | 2,500  | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities),  |
|                  |        | due 1/01/2012 (g) (h) (n)   |
|                  | 3,400  | Chicago, Illinois, O'Hare International Airport Revenue Bonds, T  |
|                  |        | Series B-2, 5.75% due 1/01/2023 (f)                               |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2007

(in Thousands)

| State | Face Amount | Municipal Bonds   |
|-------|-------------|---|
|       | \$ 4,000    | 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  |
|       |             | B-2, 6% due 1/01/2029 (b)   |
|       | 3           | Chicago, Illinois, O'Hare International Airport, Revenue Refundi  |
|       |             | Series 250, 7.534% due 1/01/2021 (g) (i)                          |
|       | 2,665       | Chicago, Illinois, O'Hare International Airport, Revenue Refundi  |
|       |             | AMT, Series A-2, 5.75% due 1/01/2021 (f)                          |
|       | 5,080       | Cook County, Illinois, Capital Improvement, GO, Series C, 5.50%   |
|       | 28,525      | Illinois Sports Facilities Authority, State Tax Supported Revenue |

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|                      |       |  |
|----------------------|-------|--|
|                      |       | due 6/15/2010 (a) (m) (n)  |
|                      | 5,500 | Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, Series A, 5.50% due 6/15/2032 (a)   |
|                      | 3,750 | Illinois Student Assistance Commission, Student Loan Revenue Refunding Bonds (McCormick Place Expansion Project), 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 1/01/2045 (f)                             |
|                      | 3,500 | Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), Series B, 5.50% due 1/01/2045 (f)                   |
| -----                |       |  |
| Indiana - 5.2%       | 3,750 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A, 5.25% due 6/01/2028 (f)   |
|                      | 7,500 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A, 5.25% due 6/01/2029 (d)   |
|                      | 6,470 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2045 (f)                |
|                      | 5,055 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2045 (f)                |
| -----                |       |  |
| Louisiana - 6.3%     | 8,500 | Louisiana Local Government, Environmental Facilities, Community Development Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.3% due 7/01/2030 (a) |
|                      | 2,800 | Louisiana State Citizens Property Insurance Corporation, Assessment Bonds, Series B, 5% due 6/01/2023 (a)  |
|                      | 4,675 | Louisiana State Transportation Authority, Senior Lien Toll Revenue Bonds, Series B, 5.31% due 12/01/2027 (a) (n)   |
|                      | 6,150 | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Revenue Bonds (Sub-Series A), 5.25% due 7/15/2028 (a)   |
|                      | 5,000 | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Revenue Bonds (Sub-Series A), 5% due 7/15/2033 (a)  |
|                      | 800   | Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power and Light Company), Series A, 4.70% due 11/01/2036 (a)  |
|                      | 1,900 | Terrebonne Parish, Louisiana, Hospital Service District Number 1 Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2045 (f)                      |
| -----                |       |  |
| Maryland - 1.3%      | 5,615 | Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Series A, 1.3% due 9/01/2039 (b)   |
| -----                |       |  |
| Massachusetts - 6.8% | 3,730 | Massachusetts Bay Transportation Authority, General Obligation Revenue Refunding Bonds, Series A, 7% due 3/01/2011 (g)   |
|                      | 3,550 | Massachusetts Bay Transportation Authority, Revenue Refunding Bonds (Transportation System), Series A, 7% due 3/01/2014 (g)  |
|                      | 4,000 | Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, Series A, 6.8% due 1/01/2045 (f)  |
|                      | 3     | Massachusetts State Port Authority, Special Facilities Revenue Bonds, Series 501, 7.029% due 7/01/2009 (a) (i)   |

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Schedule of Investments as of January 31, 2007

(in Thousands)

| State | Face Amount | Municipal Bonds  |
|-------|-------------|--|
|       | \$14,400    | Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f) |
|       | 2,400       | Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, Series A, 6.8% due 1/01/2014 (d) (h)         |
|       | 1,210       | Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series A, 6.8% due 1/01/2045 (f)  |

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Series B, 5.125% due 8/01/2027 (g)

|                      |        |  |
|----------------------|--------|--|
| Michigan - 3.5%      | 2,350  | Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds due 7/01/2036 (d)   |
|                      | 2,300  | Michigan Higher Education Student Loan Authority, Student Loan Revenue Bonds, 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% |
|                      | 3,300  | Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, Series C, 5.65% |
|                      | 5,800  | Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Pollution Control Project), AMT, Series C, 5.45% |
| Minnesota - 0.5%     | 2,100  | Dakota County, Minnesota, Community Development Agency, S/F Mortgage-Backed Securities Program, Series B, 5.15% due 12/01/2027             |
| Nebraska - 2.0%      | 6,315  | Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds due 4/01/2033 (f)   |
|                      | 2,300  | Washington County, Nebraska, Wastewater Facilities Revenue Bonds (Project), AMT, 5.90% due 11/01/2027                                      |
| Nevada - 7.5%        | 4,100  | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), 5.50% due 9/01/2033 (j)   |
|                      | 2,000  | Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds due 7/01/2030 (d)  |
|                      | 19,100 | Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds due 7/01/2036 (d)  |
|                      | 2,300  | Clark County, Nevada, IDR (Southwest Gas Corp. Project), AMT, Series A, 5.50% due 9/01/2036 (d)  |
|                      | 5,710  | Washoe County, Nevada, School District, GO, 5.875% due 12/01/2027  |
| New Hampshire - 3.4% | 10,000 | New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group, 5.50% due 8/01/2027 (f))      |
|                      | 5,000  | New Hampshire State Business Finance Authority, PCR, Refunding Bonds (Company), AMT, Series D, 6% due 5/01/2021 (g)                        |
| New Jersey - 4.4%    | 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, due 7/01/2031 (g)   |
|                      | 3,860  | New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, due 3/01/2028  |
|                      | 7,500  | New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, due 3/01/2030  |
| New York - 4.7%      | 8,990  | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (d)                             |
|                      | 8,000  | New York State Thruway Authority, General Revenue Refunding Bonds due 1/01/2032 (f)  |
|                      | 3,570  | Tobacco Settlement Financing Corporation of New York Revenue Bonds, 5.25% due 6/01/2022 (a)  |
| Ohio - 2.2%          | 2,500  | Columbus, Ohio, City School District, GO (School Facilities Construction Improvements), 5.25% due 12/01/2014 (f) (h)                       |

BlackRock MuniYield Quality Fund, Inc.  
Schedule of Investments as of January 31, 2007

(in Thousands)

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| State                 | Amount   | Municipal Bonds  |
|-----------------------|----------|--|
|                       | \$ 2,000 | Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated Hospital), 6.125% due 10/01/2009 (h) (j)                              |
|                       | 5,250    | Ohio State Air Quality, Development Authority Revenue Bonds (Day Company Project), 4.80% due 9/01/2036 (d)                           |
| Oklahoma - 0.5%       | 1,000    | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bonds (Airport), AMT, Series B, 6% due 6/01/2019 (d)                    |
|                       | 1,000    | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bonds (Airport), AMT, Series B, 6.125% due 6/01/2026 (d)                |
| Pennsylvania - 5.6%   | 11,750   | Pennsylvania State Public School Building Authority, School Lease School District of Philadelphia Project), 5% due 6/01/2013 (f) (h) |
|                       | 6,000    | Pennsylvania State Public School Building Authority, School Lease School District of Philadelphia Project), 5.25% due 6/01/2013 (f)  |
|                       | 6,250    | Philadelphia, Pennsylvania, Authority for Industrial Development 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) (g)  |
| South Carolina - 4.6% | 3,750    | Berkeley County, South Carolina, School District, Installment Lease (Securing Assets for Education Project), 5.125% due 12/01/2030   |
|                       | 3,200    | Kershaw County, South Carolina, Public Schools Foundation, Installment Refunding Bonds, 5% due 12/01/2029 (k)                        |
|                       | 4,500    | Scago Educational Facilities Corporation for Pickens County School District, South Carolina, Revenue Bonds, 5% due 12/01/2031 (f)    |
|                       | 8,900    | South Carolina Transportation Infrastructure Bank Revenue Bonds, due 10/01/2033 (a)  |
| Tennessee - 4.0%      | 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 Revenue Bonds, Series D, 6.25% due 3/01/2018 (a)                        |
|                       | 2,075    | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.125% due 10/01/2024 (a)   |
|                       | 2,390    | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.25% due 10/01/2024 (a)  |
| Texas - 12.0%         | 2,000    | Austin, Texas, Convention Center Revenue Bonds (Convention Center Certificates, Second Tier, Series B, 6% due 1/01/2011 (h)          |
|                       | 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 Refunding Bonds, AMT, Series A, 5.875% due 11/01/2017 (d)                    |
|                       | 2,145    | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2018 (d)                    |
|                       | 2,385    | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2019 (d)                    |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2007

(in Thousands)

| State | Face Amount | Municipal Bonds   |
|-------|-------------|---|
|       | \$ 2,600    | Gregg County, Texas, Health Facilities Development Corporation, (Good Shepherd Medical Center Project), 6.375% due 10/01/2010 (h) |
|       | 6,000       | Gregg County, Texas, Health Facilities Development Corporation,   |

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|   |        |   |
|---|--------|---|
|   | 4,000  | (Good Shepherd Medical Center Project), 6.875% due 10/01/2010 (h)<br>Harris County-Houston Sports Authority, Texas, Revenue Refunding<br>Series G, 5.75% due 11/15/2020 (g) |
|   | 9,250  | Leander, Texas, Independent School District, Capital Appreciation<br>(School Building), 5.46% due 8/15/2028 (d) (n)   |
|   | 13,350 | Leander, Texas, Independent School District, Capital Appreciation<br>(School Building), 5.58% due 8/15/2035 (n)   |
|   | 6,150  | Lewisville, Texas, Independent School District, Capital Appreciation<br>Building, GO, Refunding, 4.67% due 8/15/2024 (d) (n)  |
|   | 7,150  | North Harris County, Texas, Regional Water Authority, Senior Lien<br>5.125% due 12/15/2035 (g)  |
|   | 2,100  | Texas State Affordable Housing Corporation, S/F Mortgage Revenue<br>Educators Program), AMT, Series A-1, 5.50% due 12/01/2039 (o) (p)                                       |
|   | 7,200  | Texas State Turnpike Authority, Central Texas Turnpike System Revenue<br>Tier, Series A, 5.75% due 8/15/2038 (a)  |
|   | 4,600  | Travis County, Texas, Health Facilities Development Corporation,<br>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 Hospital<br>due 2/15/2015 (g)   |
| Virginia - 0.7%                                   | 3,100  | Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding<br>Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)  |
| Washington - 2.6%                                 | 2,400  | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.50%<br>due 12/01/2014 (a) (h)  |
|   | 5,100  | Tacoma, Washington, Regional Water Supply System, Water Revenue<br>due 12/01/2032 (g)   |
|   | 4,125  | Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f)  |
| Puerto Rico - 1.9%                                | 1,475  | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series A,<br>due 7/01/2031   |
|   | 6,925  | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series B,<br>due 7/01/2029   |
| Total Municipal Bonds (Cost - \$586,829) - 133.2% |        |   |
| Municipal Bonds Held in Trust (q)                 |        |   |
| Arizona - 1.4%                                    | 6,000  | Maricopa County, Arizona, Public Finance Corporation, Lease Revenue<br>due 7/01/2014 (a) (h)  |
| California - 7.1%                                 | 5,700  | California State, GO, Refunding, 5.25% due 2/01/2033 (j)  |
|   | 10,000 | Golden State Tobacco Securitization Corporation of California, Tobacco<br>Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h)  |
|   | 14,160 | Golden State Tobacco Securitization Corporation of California, Tobacco<br>Revenue Bonds, Series B, 5.625% due 6/01/2013 (h) (k)   |
| Georgia - 2.2%                                    | 10,000 | Atlanta, Georgia, Airport Passenger Facility Charge, Subordinated<br>Bonds, Series C, 5% due 1/01/2033 (f)  |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2007

(in Thousands)

| State           | Face<br>Amount | Municipal Bonds Held in Trust (q)                                |
|-----------------|----------------|--|
| Illinois - 9.4% | \$10,000       | Chicago, Illinois, Board of Education, GO (Chicago School Reform |

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|                      |        |   |
|----------------------|--------|---|
|                      |        | due 12/01/2027 (a)  |
|                      | 13,665 | Chicago, Illinois, O'Hare International Airport, General Airport Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2021 (g)  |
|                      | 5,000  | Chicago, Illinois, O'Hare International Airport, General Airport Bonds, Third Lien, AMT, Series A, 5.50% due 1/01/2022 (g)  |
|                      | 12,500 | Chicago, Illinois, O'Hare International Airport, General Airport Bonds, Third Lien, AMT, Series A, 5.375% due 1/01/2032 (g) |
| -----                |        |   |
| Massachusetts - 0.9% | 3,825  | Massachusetts State Port Authority, Special Facilities Revenue B Inc. Project), AMT, Series A, 5.50% due 1/01/2019 (a)      |
| -----                |        |   |
| New Jersey - 3.1%    | 7,150  | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2024  |
|                      | 6,000  | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031  |
| -----                |        |   |
| New York - 3.2%      | 13,840 | New York City, New York, GO, Series B, 5.875% due 8/01/2016 (g)   |
| -----                |        |   |
| Oregon - 3.5%        | 15,000 | Portland, Oregon, Sewer System Revenue Bonds, Series A, 5.75% due   |
| -----                |        |   |
| Texas - 2.4%         | 10,470 | Denton, Texas, Utility System Revenue Bonds, Series A, 6% due 12  |
| -----                |        |   |
| Washington - 4.7%    | 20,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds ( Series A, 5.75% due 7/01/2017 (g)                          |
| -----                |        |   |
|                      |        | Total Municipal Bonds Held in Trust (Cost - \$168,708) - 37.9%  |
| -----                |        |   |

| Shares<br>Held | Short-Term Securities  |
|----------------|--|
| 7,500          | Merrill Lynch Institutional Tax-Exempt Fund, 3.46% (1) (m)       |
|                | Total Short-Term Securities (Cost - \$7,500) - 1.6%              |
|                | Total Investments (Cost - \$763,037*) - 172.7%                   |
|                | Other Assets Less Liabilities - 0.1%                             |
|                | Liability for Trust Certificates, Including Interest Expense Pay |
|                | Preferred Stock, at Redemption Value - (54.2%)                   |
|                | Net Assets Applicable to Common Stock - 100.0%                   |

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2007, as computed for federal income tax purposes, were as follows:

|                               |            |
|-------------------------------|------------|
| Aggregate cost                | \$ 678,041 |
|                               | =====      |
| Gross unrealized appreciation | \$ 33,532  |
| Gross unrealized depreciation | (210)      |
|                               | -----      |
| Net unrealized appreciation   | \$ 33,322  |
|                               | =====      |

- (a) AMBAC Insured.
- (b) XL Capital Insured.
- (c) Escrowed to maturity.



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- (d) FGIC Insured.
- (e) Assured Guaranty Insured.

BlackRock MuniYield Quality Fund, Inc.  
 Schedule of Investments as of January 31, 2007 (in Thousands)

- (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) 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 | 784          | \$ 41           |

- (m) Represents the current yield as of January 31, 2007.
- (n) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- (o) FNMA/GNMA Collateralized.
- (p) FHLMC Collateralized.
- (q) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- o Forward interest rate swaps outstanding as of January 31, 2007 were as follows:

|   | Notional Amount | Unrealized Depreciation |
|---|-----------------|-------------------------|
| Pay a fixed rate of 3.842% and receive a floating rate based on 1-week Bond Market Association rate |                 |                         |
| Broker, JPMorgan Chase  |                 |                         |
| Expires May 2017  | \$ 55,000       | \$ (206)                |

### 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

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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) - As of September 29, 2006, with the conclusion of the combination of Merrill Lynch's asset management business with BlackRock, the registrant was migrated to BlackRock's trading and compliance monitoring systems, and various personnel changes occurred. In conjunction with these business improvements, there were no changes in the registrants internal control over financial reporting (as defined in Rule 30a-3(d) under Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal half-year of the period covered by this report that has materially affected, or is reasonably likely to 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 signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniYield Quality Fund, Inc.

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

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

Date: March 26, 2007

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.

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

Date: March 26, 2007

By: /s/ Donald C. Burke

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

Date: March 26, 2007