

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

BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

September 27, 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 811-06660

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 (principal 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: (800) 882-0052

Date of fiscal year end: 10/31/2007

Date of reporting period: 05/01/2007 - 07/31/2007

Item 1 - Schedule of Investments

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
Alabama - 0.7%	\$ 3,000	Jefferson County, Alabama, Limited Obligation School Warrants, 4.75% due 1/01/2025
California - 18.3%	4,150	Alameda Corridor Transportation Authority, California, Capital Revenue Refunding Bonds, Subordinate Lien, Series A, 5.45% due
	1,250	Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f)
	2,200	Arcadia, California, Unified School District, Capital Appreciation (Election of 2006), Series A, 4.96% due 8/01/2039 (f) (n)
	3,250	Cabrillo, California, Community College District, GO (Election Series B, 5.20% due 8/01/2037 (g) (n)
	7,405	Cabrillo, California, Community College District, GO (Election Series B, 4.87% due 8/01/2038 (g) (n)
	2,790	California State, GO, 5.50% due 4/01/2014 (h)
	5	California State, GO, 5.50% due 4/01/2028
	4,450	California State, GO, Refunding, 5.25% due 9/01/2010 (h)
	30	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

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

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 Series C, 5.25% due 8/01/2030 (g)
3,525	Coachella Valley, California, Unified School District, GO (Election Series A, 5% due 8/01/2028 (d)
2,150	East Side Union High School District, California, Santa Clara County (Election of 2002), Series D, 5% due 8/01/2026 (b)
1,230	Fresno, California, Unified School District, GO (Election of 2002) 5% due 8/01/2030 (f)
1,600	Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h)
5,000	Hacienda-La Puente, California, Unified School District, GO (Election Series B, 5% due 8/01/2027 (f)
4,000	Metropolitan Water District of Southern California, Waterworks Series B-1, 5% due 10/01/2029 (d)
2,275	Metropolitan Water District of Southern California, Waterworks Series B-1, 5% due 10/01/2036 (d)

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 July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 2,000	Mount Diablo, California, Unified School District, GO (Election of 2002) 5% due 7/01/2027 (d)
	2,750	Orange County, California, Sanitation District, COP, 5% due 2/01/2030 (g)
	2,000	Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a)
	2,100	Sacramento, California, Unified School District, GO (Election of 2002) 5% due 7/01/2030 (g)
	9,000	San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5% due 5/01/2032 (g)
	2,725	San Mateo County, California, Community College District, GO (Election of 2002) Series A, 5% due 9/01/2026 (d)
	1,950	Tamalpais, California, Union High School District, GO (Election of 2002) 5% due 8/01/2028 (d)

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

		due 8/01/2028 (f)
	3,150	Ventura County, California, Community College District, GO (Ele Series B, 5% due 8/01/2030 (g))
-----		
Colorado - 3.9%	1,650	Colorado Health Facilities Authority Revenue Bonds (Catholic He Series A, 5.50% due 3/01/2032 (c))
	1,600	Colorado Health Facilities Authority Revenue Bonds (Covenant Re Inc.), Series A, 5.50% due 12/01/2027 (j)
	1,000	Colorado Health Facilities Authority Revenue Bonds (Covenant Re Inc.), Series A, 5.50% due 12/01/2033 (j)
	9,000	E-470 Public Highway Authority, Colorado, Capital Appreciation Bonds, Series B, 5.485% due 9/01/2029 (g)(n)
	11,125	Northwest Parkway, Colorado, Public Highway Authority (Converti Bonds, Series C, 5.345% due 6/15/2025 (f)(n))
-----		
District of Columbia - 1.8%	5,700	District of Columbia, GO, Series A, 4.75% due 6/01/2036 (d)
	1,930	District of Columbia, Revenue Refunding Bonds (Catholic Univers 5.625% due 10/01/2009 (a)(h))
	570	District of Columbia, Revenue Refunding Bonds (Catholic Univers 5.625% due 10/01/2029 (a))
-----		
Florida - 3.9%	2,235	Beacon Tradeport Community Development District, Florida, Speci Revenue Refunding Bonds (Commercial Project), Series A, 5.625%
	2,065	Highlands County, Florida, Health Facilities Authority, Hospita (Adventist Health System), Series C, 5.25% due 11/15/2036
	4,700	Highlands County, Florida, Health Facilities Authority, Hospita Refunding Bonds (Adventist Health System), Series G, 5.125% due
	3,000	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (M Airport), AMT, Series A, 5% due 10/01/2040 (b)
	5,200	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Seri 5.125% due 1/01/2032 (d)
-----		
Georgia - 5.4%	3,500	Atlanta, Georgia, Airport Passenger Facility Charge and Subordi 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,
BlackRock MuniYield Quality Fund, Inc.		
Schedule of Investments as of July 31, 2007 (Unaudited) (in Thousands)		
State	Face Amount	Municipal Bonds
-----		
	\$ 1,675	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,
	5,000	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/0
	2,820	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/0
	4,785	Monroe County, Georgia, Development Authority, PCR, Refunding ( Power 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 - 15.7%	5,000	Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) 5.125% due 1/01/2009 (g)(h)
	2,500	Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) 5.75% due 1/01/2012 (g)(h)
	3,400	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75% due 1/01/2023 (f)

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

	4,000	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75% due 1/01/2024 (f)
	3,300	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 6% due 1/01/2029 (b)
	3	Chicago, Illinois, O'Hare International Airport, Revenue Refund DRIVERS, AMT, Series 250, 7.505% due 1/01/2021 (g) (i) (m)
	2,665	Chicago, Illinois, O'Hare International Airport, Revenue Refund Third Lien, AMT, Series A-2, 5.75% due 1/01/2021 (f)
	5,080	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2012 (a) (h)
	28,525	Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5.212% due 6/15/2030 (a) (n)
	5,500	Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5% due 6/15/2032 (a)
	7,000	Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), 5.50% due 1/01/2021 (a)
	3,500	Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), Series B, 5.50% due 1/01/2021 (a)
-----		
Indiana - 2.7%	6,470	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2021 (a)
	5,055	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2021 (a)
-----		
Louisiana - 7.1%	5,100	Louisiana Local Government Environmental Facilities and Community Authority, Revenue Bonds (Capital Projects and Equipment Acquisition), 6.30% due 7/01/2030 (a)
	2,800	Louisiana State Citizens Property Insurance Corporation, Assessment Bonds, Series B, 5% due 6/01/2023 (a)
-----		
BlackRock MuniYield Quality Fund, Inc.		
Schedule of Investments as of July 31, 2007 (Unaudited) (in Thousands)		
State	Face Amount	Municipal Bonds
-----		
	\$ 7,300	Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 4.75% due 1/01/2021 (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 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)
	800	Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power Service Corporation), AMT, 4.70% due 11/01/2036 (a)
	1,900	Terrebonne Parish, Louisiana, Hospital Service District Number 10, Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2021 (a)
-----		
Maryland - 1.7%	7,115	Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Lien, 5.25% due 9/01/2039 (b)
-----		
Massachusetts - 8.3%	3,730	Massachusetts Bay, Massachusetts, Transportation Authority, General System 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)
	11,400	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Series A, 7% due 3/01/2014 (g)

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

	3,400	Senior Series A-2, 4.80% due 7/01/2032 (n) Massachusetts Bay Transportation Authority, Sales Tax Revenue R
	4,000	Senior Series A-2, 5.115% due 7/01/2035 (n) Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds 5.60% due 1/01/2045 (f)
	2,200	Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Serie due 12/01/2027 (f)
	2	Massachusetts State Port Authority, Special Facilities Revenue AMT, Series 501, 6.999% due 7/01/2009 (a) (i)
	14,400	Massachusetts State School Building Authority, Dedicated Sales Series A, 5% due 8/15/2030 (f)
	2,400	Massachusetts State Special Obligation Dedicated Tax Revenue Bo 5.25% due 1/01/2014 (d) (h)
	1,210	Massachusetts State Water Resource Authority, General Revenue R Series B, 5.125% due 8/01/2027 (g)
-----		
Michigan - 3.8%	2,350	Detroit, Michigan, Sewage Disposal System, Second Lien Revenue 5% due 7/01/2036 (d)
	2,300	Michigan Higher Education Student Loan Authority, Student Loan Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)
	1,000	Michigan State Hospital Finance Authority, Hospital Revenue Ref (Oakwood Obligated Group), Series A, 5% due 7/15/2025
	1,700	Michigan State Strategic Fund, Limited Obligation Revenue Refun Edison Company Pollution Control Project), AMT, Series A, 5.50%

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 3,300	Michigan State Strategic Fund, Limited Obligation Revenue Refun (Detroit Edison Company Pollution Control Project), AMT, Series 5.65% due 9/01/2029 (b)
	5,800	Michigan State Strategic Fund, Limited Obligation Revenue Refun (Detroit Edison Company Pollution Control Project), AMT, Series due 12/15/2032 (b)
-----		
Minnesota - 0.9%	4,190	Dakota County, Minnesota, Community Development Agency, S/F Mor Bonds (Mortgage-Backed Securities Program), Series B, 5.15% due
-----		
Nebraska - 2.0%	6,315	Municipal Energy Agency of Nebraska, Power Supply System Revenu Series A, 5% due 4/01/2033 (f)
	2,300	Washington County, Nebraska, Wastewater Facilities Revenue Bond (Cargill Inc. Project), AMT, 5.90% due 11/01/2027
-----		
Nevada - 7.5%	4,100	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospi Series A, 5.50% due 9/01/2033 (j)
	2,000	Clark County, Nevada, Airport System Subordinate Lien Revenue B Series A-2, 5% due 7/01/2030 (d)
	19,100	Clark County, Nevada, Airport System Subordinate Lien Revenue B Series A-2, 5% due 7/01/2036 (d)
	2,300	Clark County, Nevada, IDR (Southwest Gas Corp. Project), AMT, S 4.75% due 9/01/2036 (d)
	5,710	Washoe County, Nevada, School District, GO, 5.875% due 12/01/20
-----		
New Hampshire - 3.5%	10,000	New Hampshire Health and Education Facilities Authority Revenue

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

	5,000	(Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (f) New Hampshire State Business Finance Authority, PCR, Refunding 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 6/15/202
	1,385	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/203
	5,500	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A 5.25% due 7/01/2031 (g)
	3,860	New Jersey EDA, School Facilities Construction Revenue Bonds, S 5.125% due 3/01/2028
	7,500	New Jersey EDA, School Facilities Construction Revenue Bonds, S 5.125% due 3/01/2030
New York - 5.9%	3,000	Metropolitan Transportation Authority, New York, Revenue Bonds, 5% due 11/15/2035 (g)
	8,990	Metropolitan Transportation Authority, New York, Transportation Bonds, Series A, 5% due 11/15/2032 (d)
	10,000	New York State Thruway Authority, General Revenue Refunding Bon Series G, 5% due 1/01/2032 (f)
	3,570	Tobacco Settlement Financing Corporation of New York Revenue Bo Series A-1, 5.25% due 6/01/2022 (a)
Ohio - 2.2%	2,500	Columbus, Ohio, City School District, GO (School Facilities Con and Improvements), 5.25% due 12/01/2014 (f) (h)
	2,000	Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated System-Jackson Hospital), 6.125% due 10/01/2009 (h) (j)
	5,250	Ohio State Air Quality, Development Authority Revenue Bonds (Da and Light Company Project), 4.80% due 9/01/2036 (d)

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
Oklahoma - 0.5%	\$ 1,000	Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bo International Airport), AMT, Series B, 6% due 6/01/2019 (d)
	1,000	Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bo International Airport), AMT, Series B, 6.125% due 6/01/2026 (d)
Pennsylvania - 5.0%	9,000	Pennsylvania State Public School Building Authority, School Lea Bonds (The School District of Philadelphia Project), 5% due 6/0
	6,000	Pennsylvania State Public School Building Authority, School Lea Bonds (The School District of Philadelphia Project), 5.25% due
	6,250	Philadelphia, Pennsylvania, Authority for Industrial Developmen Revenue Bonds, Series B, 5.50% due 10/01/2021 (f)
South Carolina - 5.6%	3,750	Berkeley County, South Carolina, School District, Installment L Bonds (Securing Assets for Education Project), 5.125% due 12/01
	3,200	Kershaw County, South Carolina, Public Schools Foundation, Inst Revenue Refunding Bonds, 5% due 12/01/2029 (k)
	8,800	Scago Educational Facilities Corporation for Pickens County Sch South Carolina, Revenue Bonds, 5% due 12/01/2031 (f)
	8,900	South Carolina Transportation Infrastructure Bank Revenue Bonds 5% due 10/01/2033 (a)

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

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 Refunding Bonds, AMT, Series D, 6.25% due 3/01/2018 (a)
	2,075	Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.00% due 10/01/2024 (a)
	2,340	Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.00% due 10/01/2024 (a)
-----		
Texas - 12.3%	2,000	Austin, Texas, Convention Center Revenue Bonds (Convention Entertainment Trust Certificates, Second Tier, Series B, 6% due 1/01/2011 (h)
	1,000	Bell County, Texas, Health Facilities Development Revenue Bonds (General 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)
	2,600	Gregg County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Good Shepherd Medical Center Project), 6.375% due 10/01/2024 (a)

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 6,000	Gregg County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2024 (a)
	4,000	Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Lien, Series G, 5.75% due 11/15/2020 (g)
	9,250	Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.46% due 8/15/2028 (d) (n)
	13,350	Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.58% due 8/15/2035 (n)
	6,150	Lewisville, Texas, Independent School District, Capital Appreciation Refunding (School Building), GO, Refunding, 4.748% due 8/15/2024 (d) (n)
	7,150	North Harris County, Texas, Regional Water Authority, Senior Lien Refunding Bonds, 5.125% due 12/15/2035 (g)
	1,225	North Texas Thruway Authority, Dallas North Thruway System Revenue Refunding Bonds, Series A, 5% due 1/01/2035 (f)
	2,098	Texas State Affordable Housing Corporation, S/F Mortgage Revenue Refunding Bonds (Professional Educators Home Loan Program), AMT, Series A-1, 5.00% due 12/01/2039 (o) (p)
	7,200	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Refunding Bonds, First Tier, Series A, 5.75% due 8/15/2038 (a)
	4,600	Travis County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Ascension Health Credit), Series A, 6.25% due 10/01/2024 (a)
-----		
Utah - 3.7%	15,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospital Revenue Refunding Bonds), 6.30% due 2/15/2015 (g)
-----		
Virginia - 0.7%	3,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2024 (a)
-----		
Washington - 2.7%	2,400	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2014 (a) (h)
	5,100	Tacoma, Washington, Regional Water Supply System, Water Revenue Refunding Bonds, Series A, 5.00% due 12/01/2024 (a)

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

	4,125	5% due 12/01/2032 (g) Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f)
-----		
Total Municipal Bonds (Cost - \$590,313) - 134.7%		
-----		
Municipal Bonds Held in Trust (r)		
-----		
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, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h)
	14,160	Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.625% due 6/01/2013 (h) (k)
-----		
Georgia - 2.3%	10,000	Atlanta, Georgia, Airport Passenger Facility Charge, Subordinated Refunding Bonds, Series C, 5% due 1/01/2033 (f)
-----		
Illinois - 9.4%	10,000	Chicago, Illinois, Board of Education, GO (Chicago School Refunding Bonds, 5.75% due 12/01/2027 (a)
	13,665	Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2021
	5,000	Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.50% due 1/01/2022

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds Held in Trust (r)
	\$12,500	Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.375% due 1/01/2033
-----		
Massachusetts - 0.9%	3,825	Massachusetts State Port Authority, Special Facilities Revenue Lines 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 6/15/2022
	6,000	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2033
-----		
New York - 3.3%	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 1/01/2033
-----		
Texas - 2.5%	10,470	Denton, Texas, Utility System Revenue Bonds, Series A, 6% due 1/01/2033
-----		
Washington - 3.6%	15,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds Series A, 5.75% due 7/01/2017 (g)
-----		
Total Municipal Bonds Held in Trust (Cost - \$156,872) - 35.7%		
-----		
	Shares Held	Short-Term Securities
-----		
	2,700	Merrill Lynch Institutional Tax-Exempt Fund, 3.47% (l) (q)
-----		
Total Short-Term Securities (Cost - \$2,700) - 0.6%		
-----		
Total Investments (Cost - \$749,885*) - 171.0%		



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

Other Assets Less Liabilities - 1.4%  
 Liabilities for Trust Certificates, Including Interest  
 Expense Payable - (17.0%)  
 Preferred Stock, at Redemption Value - (55.4%)  
  
 Net Assets Applicable to Common Stock - 100.0%

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

Aggregate cost	\$ 674,452
	=====
Gross unrealized appreciation	\$ 23,983
Gross unrealized depreciation	(2,002)
	-----
Net unrealized appreciation	\$ 21,981
	=====

- (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.

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

- (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	(4,016)	\$123

- (m) These securities are short-term floating rate certificates issued by tender option bond trusts and are secured by the underlying municipal bond securities.
- (n) Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (o) FNMA/GNMA Collateralized.
- (p) FHLMC Collateralized.
- (q) Represents the current yield as of July 31, 2007.
- (r) 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 July 31, 2007 were as

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

follows:

	Notional Amount	Unrealized Appreciation
Pay a fixed rate of 3.697% and receive a floating rate based on 1-Week Bond Market Association Rate		
Broker, JPMorgan Chase		
Expires August 2017	\$ 20,000	\$ 307

Item 2 - Controls and Procedures

2(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")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended.

2(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

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.

-----  
 Robert C. Doll, Jr.,  
 Chief Executive Officer (principal executive officer) of  
 BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 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.

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

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

-----

Robert C. Doll, Jr.,  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 2007

By: /s/ Donald C. Burke

-----

Donald C. Burke,  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 2007