

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

MUNIYIELD QUALITY FUND II INC  
 Form N-Q  
 March 30, 2005

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 811-6718

Name of Fund: MuniYield Quality Fund II, Inc.

Fund Address: P.O. Box 9011  
 Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., President, MuniYield  
 Quality Fund II, 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: 10/31/05

Date of reporting period: 11/01/04 - 1/31/05

Item 1 - Schedule of Investments

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (in Thousands)

State	Face Amount	Municipal Bonds
Alaska - 1.4%	\$ 550	Alaska State Housing Finance Corporation, General Housing Rev Series A, 5.25% due 12/01/2034 (c)
	1,400	Alaska State International Airports Revenue Bonds, Series B, due 10/01/2019 (a)
	2,100	Valdez, Alaska, Marine Terminal Revenue Refunding Bonds (BP P VRDN, Series C, 1.83% due 7/01/2037 (m)
Arizona - 1.0%	2,700	Northern Arizona University System Revenue Bonds, 5.50% due 6
California - 20.9%	8,150	Alameda Corridor Transportation Authority, California, Revenue Bonds, Subordinated Lien, Series A, 5.319%* due 10/01/2025 (a)
	2,500	California Health Facilities Financing Authority Revenue Bond (Kaiser Permanente), RIB, Series 26, 8.84% due 6/01/2022 (f) (
	2,490	California State Department of Water Resources, Power Supply Bonds, Series A, 5.375% due 5/01/2022 (i)
	2,800	California State, GO, Refunding: 5.25% due 9/01/2026

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1,780	5.25% due 2/01/2030 (h)
5,300	5.25% due 2/01/2030 (i)
1,950	ROLS, Series II-R-272, 8.539% due 2/01/2033 (k) (l)
	California State, Various Purpose, GO:
2,750	5.25% due 11/01/2029
6,500	5.50% due 11/01/2033
2,770	Fairfield-Suisun, California, Unified School District, GO (EL)
	5.50% due 8/01/2028 (i)
	Golden State Tobacco Securitization Corporation of California
	Revenue Bonds, Series B:
2,750	5.60% due 6/01/2028
2,050	5.50% due 6/01/2033 (h)
1,300	5.625% due 6/01/2033 (h)
7,075	5.625% due 6/01/2038 (b)
2,300	5.50% due 6/01/2043 (h)
2,815	John Swett Unified School District, California, GO, Series A,
	due 8/01/2026 (f)
1,900	Los Angeles, California, Unified School District, GO, Series
1,250	Poway, California, Redevelopment Agency, Tax Allocation Refun
	(Paguay Redevelopment Project), 5.125% due 6/15/2033 (a)
3,650	Sacramento County, California, Sanitation District Financing
	Refunding Bonds Trust Receipts, Class R, Series A, 9.811% due

Portfolio Abbreviations

To simplify the listings of MuniYield Quality Fund II, 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)
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
IDA	Industrial Development Authority
IDB	Industrial Development Board
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
ROLS	Reset Options Longs
S/F	Single-Family
VRDN	Variable Rate Demand Notes

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (continued) (in Thousands)

State	Face Amount	Municipal Bonds
Colorado - 11.0%	\$ 11,020	Colorado Department of Transportation Revenue Bonds, DRIVERS, 9.849% due 6/15/2014 (a) (l)
	1,150	Colorado Health Facilities Authority Revenue Bonds, Series A: (Catholic Health Initiatives), 5.50% due 3/01/2032 (n)
	1,200	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2

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	675	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2025 Colorado Housing and Finance Authority, S/F Program Revenue Refunding Bonds, AMT (i):
	630	Series A-2, 6.45% due 4/01/2030
	1,775	Series B-2, 6.80% due 2/01/2031
	65	Series C-1, 7.65% due 12/01/2025 (d)
	710	Colorado Housing and Finance Authority, Revenue Refunding Bonds, Series E-2, 7% due 2/01/2030 (i)
	13,950	Northwest Parkway, Colorado, Public Highway Authority, Capital Improvement Revenue Bonds, Senior Convertible, Series C, 4.155%* due 6/15/2021 (a)
	1,735	Northwest Parkway, Colorado, Public Highway Authority Revenue Refunding Bonds, Series A, 5.50% due 6/15/2021 (a)
-----		
Connecticut - 3.8%	1,100	Connecticut State Regional Learning Educational Service Center Revenue Refunding Bonds (Office/Education Center Facility), 7.75% due 2/01/2006
	9,325	Connecticut State Resource Recovery Authority, Revenue Refunding Bonds, DRIVERS, Series 187, 8.889% due 11/15/2011 (i)(l)
-----		
Georgia - 3.6%	5,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series A, 5.25% due 1/01/2033 (f)
	5,000	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.875% due 1/01/2017 (c)
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Illinois - 21.2%	3,250	Chicago, Illinois, Board of Education, GO (Chicago School Refunding Bonds), Series A, 5.25% due 12/01/2030 (a)
	3,500	Chicago, Illinois, Gas Supply Revenue Refunding Bonds (People's Gas), Series A, 6.10% due 6/01/2025 (a)
	6,000	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.50% due 1/01/2025 (a)
	5,200	Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, AMT, Series B-2: 5.75% due 1/01/2023 (f)
	2,200	Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, AMT, Series B-2: 6% due 1/01/2029 (h)
	2,830	Chicago, Illinois, Park District, GO, Refunding, Series C, 5.50% due 1/01/2025 (a)
	3,000	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 1/01/2025 (a)
	10,000	Illinois Regional Transportation Authority Revenue Bonds, Series A, 6.50% due 1/01/2025 (a)
	23,850	Illinois Sports Facilities Authority, State Tax Supported Revenue Refunding Bonds, Series A, 6.50% due 6/15/2030 (a)
	3,625	Metropolitan Pier and Exposition Authority, Illinois, Dedicated Revenue Refunding Bonds, DRIVERS, Series 269, 9.224% due 6/15/2023 (i)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

State	Face Amount	Municipal Bonds
Indiana - 2.9%		Indiana Transportation Finance Authority, Highway Revenue Refunding Bonds, Series A, 5.25% due 6/01/2028
	\$ 3,750	Indiana Transportation Finance Authority, Highway Revenue Refunding Bonds, Series A, 5.25% due 6/01/2029
	3,000	Indianapolis, Indiana, Local Public Improvement Bond Bank Revenue Refunding Bonds (Waterworks Project), Series A, 5.25% due 7/01/2033
	1,500	

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Kansas - 1.6%	1,370	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue Bonds, AMT, Series A-2, 7.60% due 12/01/2031 (g) (i)
	2,295	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue Refunding Bonds, AMT, Series A-2, 6.45% due 12/01/2033 (e) (i)
	1,240	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue Bonds, AMT, Series A-1, 6.875% due 12/01/2026 (g) (i)
Louisiana - 4.4%	2,740	Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortgage-Backed Revenue Bonds, AMT, Series B-1, 6.65% due 12/01/2033 (e) (i)
	3,900	Louisiana Local Government, Environmental Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Leasing), Series A, 6.30% due 7/01/2030 (a)
	4,650	New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Tax, Sub-Series A, 5.25% due 7/15/2028 (a)
	1,300	Terrebonne Parish, Louisiana, Hospital Service District Number 1, Revenue Bonds (Terrebonne General Medical Center Project), 5.25% due 12/01/2026 (g) (i)
Massachusetts - 1.6%	2,785	Massachusetts State Port Authority, Special Facilities Revenue Bonds, DRIVERS, AMT, Series 501, 8.814% due 7/01/2009 (a) (l)
	1,800	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, Series A, 5.25% due 1/01/2028 (c)
Michigan - 6.7%	8,800	Detroit, Michigan, Water Supply System Revenue Bonds, Series A, 5.25% due 7/01/2032 (i)
	1,300	Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)
	2,685	Michigan State, HDA, Revenue Refunding Bonds, Series C, 5.90% due 12/01/2015 (d) (f)
		Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Project) (h):
	1,750	5.45% due 9/01/2029
	3,900	AMT, Series A, 5.50% due 6/01/2030 AMT, Series C, 5.45% due 12/15/2032
Missouri - 2.0%		Saint Louis County, Missouri, Pattonville R-3 School District Revenue Bonds (Deposit Program) (c) (j):
	4,000	5.75% due 3/01/2010
	1,500	6% due 3/01/2010
Nevada - 3.5%	2,800	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), Series A, 5.50% due 9/01/2033 (k)
		Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (c):
	2,700	5% due 7/01/2030 5% due 7/01/2036

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

State	Face Amount	Municipal Bonds
Nevada (concluded)	\$ 3,300	Director of the State of Nevada, Department of Business and Industry (Las Vegas Monorail Company Project), First Tier, 5.375% due 12/01/2026 (g) (i)

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New Jersey - 5.4%		New Jersey EDA, Cigarette Tax Revenue Bonds:
	4,600	5.50% due 6/15/2024
	1,070	5.75% due 6/15/2029
	500	5.50% due 6/15/2031
	2,400	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series
	4,800	5% due 7/01/2029
	2,000	5.25% due 7/01/2033
		New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-2, 9.026
New Mexico - 2.3%	6,295	New Mexico State Highway Commission, Tax Revenue Bonds, Senior Sub-Lien, Series A, 6% due 6/15/2010 (f) (j)
New York - 11.1%	2,500	Erie County, New York, IDA, School Facility Revenue Bonds (City of Buffalo Project), 5.75% due 5/01/2026 (f)
	9,280	Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75% due 8/01/2009 (f) (j)
	2,500	New York City, New York, City Transitional Finance Authority, Refunding Bonds, Future Tax Secured, Series C, 5.50% due 11/01/2012 (f)
	4,000	New York City, New York, GO, Series D, 5.875% due 6/01/2012 (f)
	5,000	New York State Dormitory Authority, Revenue Refunding Bonds (State University Educational Facilities), 5.75% due 5/15/2012 (f)
	7,115	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a)
North Carolina - 1.7%	5,000	Martin County, North Carolina, Industrial Facilities and Pollution Control Authority Revenue Bonds (Solid Waste Disposal -Weyerhaeuser Company) AMT, 6.80% due 5/01/2024
Ohio - 2.3%		Plain, Ohio, Local School District, GO, Refunding (c) (f):
	5,120	6% due 6/01/2011 (j)
	1,170	6% due 12/01/2020
Pennsylvania - 6.5%	600	Allegheny County, Pennsylvania, Sanitation Authority, Sewer Revenue Bonds, 5.50% due 12/01/2030 (i)
	3,335	Delaware River Port Authority of Pennsylvania and New Jersey Revenue Bonds, RIB, Series 396, 9.853% due 1/01/2019 (f) (l)
	5,500	Pennsylvania State Public School Building Authority, School Building Revenue Bonds (The School District of Philadelphia Project), 5% due 6/01/2012 (f)
	3,230	Philadelphia, Pennsylvania, Authority for Industrial Development Revenue Bonds, Series B, 5.50% due 10/01/2020 (f)
	4,500	Philadelphia, Pennsylvania, School District, GO, Series B, 5.50% due 10/01/2020 (f)
	900	Washington County, Pennsylvania, Capital Funding Authority Revenue Bonds (Capital Projects and Equipment Program), 6.15% due 12/01/2020 (f)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

State	Face Amount	Municipal Bonds
Rhode Island - 1.5%	\$ 4,010	Rhode Island State Health and Educational Building Corporation Education Facilities Revenue Bonds (University of Rhode Island)

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5.70% due 9/15/2024 (i)

South Carolina - 1.6%	2,250	South Carolina State Public Service Authority, Revenue Refund DRIVERS, Series 277, 9.346% due 1/01/2022 (i) (l)
	2,500	Spartanburg County, South Carolina, Solid Waste Disposal Facility Bonds (BMW Project), AMT, 7.55% due 11/01/2024
Tennessee - 2.7%	7,365	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Redevelopment Corporation), 5.875% due 10/01/2024
Texas - 12.3%	4,000	Austin, Texas, Convention Center Revenue Bonds (Convention Entertainment Trust Certificates, Second Tier, Series B, 5.75% due 1/01/2030)
	2,730	Corpus Christi, Texas, Utility System Revenue Refunding Bonds Series A, 6% due 7/15/2010 (f) (j)
	3,250	Dallas-Fort Worth, Texas, International Airport Revenue Bonds AMT, Series 202, 9.83% due 11/01/2028 (c) (l)
	1,180	Dickinson, Texas, Independent School District, GO, Refunding Bonds, 6% due 2/15/2017
	1,250	6% due 2/15/2018
	4,000	Gregg County, Texas, Health Facilities Development Corporation Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2029 (i) (m) (n)
	800	Harris County, Texas, Health Facilities Development Corporation Revenue Bonds (Texas Children's Hospital), VRDN, Series B-1, due 10/01/2029 (i) (m) (n)
	1,900	Houston, Texas, Airport System Revenue Refunding Bonds, Sub-Lien, Series B, 5.50% due 7/01/2030 (f)
	3,500	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor Project), AMT, 6.375% due 4/01/2027
	4,800	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A (a): 5.75% due 8/15/2038
	3,600	5.50% due 8/15/2039
	1,000	University of Houston, Texas, University Revenue Bonds, 5.50% due 2/15/2030 (i)
	1,900	White Settlement, Texas, Independent School District, GO, 5.70% due 10/01/2029 (i) (m) (n)
Virginia - 3.4%	2,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 10/01/2029 (i) (m) (n)
	26,500	Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds Senior Series B, 5.875%* due 8/15/2024
Washington - 6.3%	2,150	King County, Washington, Sewer Revenue Refunding Bonds, Series A, 5.50% due 1/01/2027 (f)
	1,600	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2034 (a)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (continued)

(in Thousands)

State	Face Amount	Municipal Bonds
Washington (concluded)	\$ 7,470	Port Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due 2/01/2016 (i)

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	6,150	Seattle, Washington, Municipal Light and Power Revenue Bonds, 6% due 10/01/2009 (i) (j)
-----		
Puerto Rico - 3.7%	5,000	Puerto Rico Commonwealth, Highway and Transportation Authority Revenue Bonds, Series B, 6% due 7/01/2005 (i) (j)
	3,250	Puerto Rico Electric Power Authority, Power Revenue Refunding RIB, Series 449X, 8.91% due 7/01/2016 (a) (l)
	2,500	Puerto Rico Municipal Finance Agency, GO, Series A, 5.50% due 8/01/2023 (f)
-----		
		Total Investments (Cost - \$422,178**) - 146.4%
		Other Assets Less Liabilities - 2.1%
		Preferred Stock, at Redemption Value - (48.5%)
		Net Assets Applicable to Common Stock - 100.0%

\* Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.

\*\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2005, as computed for federal income tax purposes, were as follows:

	(in Thousands)
Aggregate cost	\$422,178
	=====
Gross unrealized appreciation	\$ 31,964
Gross unrealized depreciation	(833)
	-----
Net unrealized appreciation	\$ 31,131
	=====

- (a) AMBAC Insured.
- (b) CIFG Insured.
- (c) FGIC Insured.
- (d) FHA Insured.
- (e) FNMA/GNMA Collateralized.
- (f) FSA Insured.
- (g) GNMA Collateralized.
- (h) XL Capital Insured.
- (i) MBIA Insured.
- (j) Prerefunded.
- (k) Radian Insured.
- (l) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (m) Security has a maturity of more than one year, but has variable rate and demand features, which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (n) Escrowed to maturity.

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2005 (concluded)

Investments in companies considered to be an affiliate of the Fund (such

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companies are defined as Affiliated Companies in Section 2(a)(3) of the Investment Company Act of 1940) were as follows:

(in Thousands)		
Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(2,866)	\$ 11

Forward interest rate swaps outstanding as of January 31, 2005 were as follows:

(in Thousands)		
	Notional Amount	Unrealized Depreciation
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.621%		
Broker, JPMorgan Chase Bank Expires March 2015	\$15,000	\$ (13)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.658%		
Broker, JPMorgan Chase Bank Expires April 2015	\$15,000	(16)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.251%		
Broker, JPMorgan Chase Bank Expires February 2025	\$16,000	(73)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.073%		
Broker, Morgan Stanley Capital Services, Inc. Expires March 2025	\$19,000	(39)
Total		\$ (1,43)
		=====

### 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.



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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.

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 II, Inc.

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

-----  
Robert C. Doll, Jr.,  
President  
MuniYield Quality Fund II, Inc.

Date: March 21, 2005

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.,  
President  
MuniYield Quality Fund II, Inc.

Date: March 21, 2005

By: /s/ Donald C. Burke

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

Date: March 21, 2005