

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

MUNIYIELD QUALITY FUND II INC
 Form N-Q
 September 28, 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., Chief Executive
 Officer, 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: 05/01/05 - 07/31/05

Item 1 - Schedule of Investments

MuniYield Quality Fund II, Inc.
 Schedule of Investments as of July 31, 2005 (in Thousands)

| State | Face Amount | Municipal Bonds |
|--------------------|-------------|--|
| Alaska - 0.5% | \$ 1,400 | Alaska State International Airports Revenue Bonds, Series B, 5 |
| Arizona - 1.0% | 2,700 | Northern Arizona University System Revenue Bonds, 5.50% due 6/ |
| California - 30.2% | 8,150 | Alameda Corridor Transportation Authority, California, Revenue Subordinated Lien, Series A, 5.319%** due 10/01/2025 (a) |
| | 2,500 | California Health Facilities Financing Authority Revenue Bonds RIB, Series 26, 8.37% due 6/01/2022 (f) (1) |
| | 2,490 | California State Department of Water Resources, Power Supply R 5.375% due 5/01/2022 (i) |
| | 4,600 | California State, GO, 5.125% due 2/01/2027 |
| | 2,800 | California State, GO, Refunding: 5.25% due 9/01/2026 |
| | 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, 8.026% due 2/01/2033 (k) (1) |
| | 2,750 | California State, Various Purpose, GO: 5.25% due 11/01/2029 |

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

| | |
|--------|--|
| 6,500 | 5.50% due 11/01/2033 |
| 15,000 | East Side Union High School District, California, Santa Clara Appreciation, GO (Election of 2002), Series E, 5.15%** due 8/01/2028 (i) |
| 2,770 | Fairfield-Suisun, California, Unified School District, GO (Election of 2002), Series E, 5.50% due 8/01/2028 (i) |

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 at right.

| | |
|---------|--|
| AMT | Alternative Minimum Tax (subject to) |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| EDA | Economic Development Authority |
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Authority |
| IDA | Industrial Development Authority |
| IDB | Industrial Development Board |
| PCR | Pollution Control Revenue Bonds |
| RIB | Residual Interest Bonds |
| ROLS | Reset Option Long Securities |
| S/F | Single-Family |

MuniYield Quality Fund II, Inc.
 Schedule of Investments as of July 31, 2005 (in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|--|
| | | Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B (j): |
| | \$ 2,750 | 5.60% due 6/01/2010 |
| | 4,350 | 5.50% due 6/01/2013 (h) |
| | 7,075 | 5.625% due 6/01/2013 (b) |
| | 1,300 | 5.625% due 6/01/2013 (h) |
| | 2,750 | Golden State Tobacco Securitization Corporation of California, Settlement Revenue Refunding Bonds, Series A, 5% due 6/01/2035 |
| | 2,815 | John Swett Unified School District, California, GO, Series A, due 8/01/2026 (f) |
| | 4,900 | Los Angeles, California, Unified School District, GO, Series A, due 1/01/2028 (i) |
| | 2,900 | Palm Springs, California, Financing Authority, Lease Revenue Refunding Bonds (Convention Center Project), Series A, 5.50% due 11/01/2029 (i) |
| | 1,250 | Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Redevelopment Project), 5.125% due 6/15/2033 (a) |
| | 6,000 | Sacramento, California, Municipal Utility District, Electric Refunding Bonds, Series N, 5% due 8/15/2028 (i) |
| | 5,000 | Sacramento County, California, Sanitation District, Financing Refunding Bonds, Series A, 6% due 12/01/2019 |
| | 1,325 | Tamalpais, California, Union High School District, GO (Election of 2002), Series E, 5.50% due 8/01/2028 (f) |
| Colorado - 6.7% | 1,150 | Colorado Health Facilities Authority Revenue Bonds, Series A: (Catholic Health Initiatives), 5.50% due 3/01/2032 (n) |

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

| | |
|--------|--|
| 1,200 | (Covenant Retirement Communities Inc.), 5.50% due 12/01/20 |
| 675 | (Covenant Retirement Communities Inc.), 5.50% due 12/01/20 |
| 1,610 | Colorado Housing and Finance Authority, Revenue Refunding Bond |
| 630 | (S/F Program), Series B-2, 6.80% due 2/01/2031 |
| 7,500 | Series E-2, 7% due 2/01/2030 |
| 13,250 | E-470 Public Highway Authority, Colorado, Capital Appreciation |
| 1,735 | Bonds, Series B, 5.607%** due 9/01/2032 (i) |
| | Northwest Parkway, Colorado, Public Highway Authority, Capital |
| | Bonds, Senior Convertible, Series C, 5.33%** due 6/15/2025 (f) |
| | Northwest Parkway, Colorado, Public Highway Authority Revenue |
| | due 6/15/2021 (a) |

MuniYield Quality Fund II, Inc.
 Schedule of Investments as of July 31, 2005 (in Thousands)

| State | Face Amount | Municipal Bonds |
|--------------------|-------------|---|
| Connecticut - 3.7% | \$ 1,100 | Connecticut State Regional Learning Educational Service Center |
| | 9,325 | (Office/Education Center Facility), 7.75% due 2/01/2006 (j) |
| | | Connecticut State Resource Recovery Authority, Revenue Refundi |
| | | Series 187, 8.375% due 11/15/2011 (i) (l) |
| Florida - 1.9% | 3,575 | Orange County, Florida, Sales Tax Revenue Refunding Bonds, Ser |
| | | due 1/01/2032 (c) |
| | | Miami-Dade County, Florida, Subordinate Special Obligation Rev |
| | | A (i): |
| | 4,575 | 5.21%** due 10/01/2034 |
| | 4,495 | 5.22%** due 10/01/2035 |
| Georgia - 4.2% | 5,000 | Atlanta, Georgia, Airport General Revenue Refunding Bonds, Ser |
| | | due 1/01/2033 (f) |
| | 5,000 | Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5 |
| | 1,900 | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/ |
| Illinois - 18.4% | | Chicago, Illinois, O'Hare International Airport Revenue Bonds, |
| | | Series B-2: |
| | 5,200 | 5.75% due 1/01/2023 (f) |
| | 2,200 | 6% due 1/01/2029 (h) |
| | 4,750 | Chicago, Illinois, O'Hare International Airport, Revenue Refun |
| | | AMT, Series 844Z, 8.048% due 7/01/2010 (i) (l) |
| | 2,830 | Chicago, Illinois, Park District, GO, Refunding, Series C, 5.5 |
| | 3,000 | Cook County, Illinois, Capital Improvement, GO, Series C, 5.50 |
| | 10,000 | Illinois Regional Transportation Authority Revenue Bonds, 6.50 |
| | 22,300 | Illinois Sports Facilities Authority, State Tax Supported Reve |
| | | due 6/15/2030 (a) |
| | 3,625 | Metropolitan Pier and Exposition Authority, Illinois, Dedicat |
| | | Refunding Bonds, DRIVERS, Series 269, 8.73% due 6/15/2023 (i) (|
| Indiana - 3.6% | | Indiana Transportation Finance Authority, Highway Revenue Bond |
| | 3,750 | 5.25% due 6/01/2028 |
| | 5,000 | 5.25% due 6/01/2029 |
| | 1,500 | Indianapolis, Indiana, Local Public Improvement Bond Bank Reve |
| | | Project), Series A, 5.25% due 7/01/2033 (i) |

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

Kansas - 0.7% 2,025 Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Rev
AMT, Series A-2, 6.45% due 12/01/2033 (e) (i)

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005 (in Thousands)

| State | Face Amount | Municipal Bonds |
|----------------------|-------------|--|
| Louisiana - 4.6% | \$ 2,445 | Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortg AMT, Series B-1, 6.65% due 12/01/2033 (e) (i) |
| | 3,900 | Louisiana Local Government, Environmental Facilities, Communit Revenue Bonds (Capital Projects and Equipment Acquisition), Se due 7/01/2030 (a) |
| | 3,185 | Louisiana State Transportation Authority, Senior Lien Toll Rev Appreciation Bonds, Series B, 5.31%** due 12/01/2027 (a) |
| | 4,650 | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authorit Sub-Series A, 5.25% due 7/15/2028 (a) |
| | 1,300 | Terrebonne Parish, Louisiana, Hospital Service District Number Bonds (Terrebonne General Medical Center Project), 5.50% due 4 |
| Massachusetts - 8.0% | | Massachusetts Bay Transportation Authority, Sales Tax Revenue Senior Series A: |
| | 1,265 | 5% due 7/01/2032 |
| | 1,375 | 5% due 7/01/2035 |
| | 10,000 | Massachusetts State, HFA, Housing Revenue Bonds, DRIVERS, AMT, due 1/01/2011 (f) (l) |
| | 2,785 | Massachusetts State Port Authority, Special Facilities Revenue Series 501, 8.32% due 7/01/2009 (a) (l) |
| | 5,300 | Massachusetts State School Building Authority, Dedicated Sales Series A, 5% due 8/15/2030 (f) |
| | 1,800 | Massachusetts State Special Obligation Dedicated Tax Revenue B due 1/01/2014 (c) (j) |
| | 550 | Massachusetts State Water Resource Authority, General Revenue Series B, 5.125% due 8/01/2027 (i) |
| Michigan - 8.2% | | Detroit, Michigan, Water Supply System Revenue Bonds, Series B |
| | 8,900 | 5.25% due 7/01/2032 |
| | 3,250 | 5% due 7/01/2034 |
| | 1,300 | Michigan Higher Education Student Loan Authority, Student Loan Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a) |
| | 2,685 | Michigan State, HDA, Revenue Refunding Bonds, Series C, 5.90% Michigan State Strategic Fund, Limited Obligation Revenue Refu Edison Company Project), AMT (h): |
| | 1,000 | Series A, 5.50% due 6/01/2030 |
| | 3,900 | Series C, 5.45% due 12/15/2032 |
| | 2,625 | Wayne County, Michigan, Airport Authority Revenue Bonds, DRIVE 7.844% due 6/01/2013 (i) (l) |

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005 (in Thousands)

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

| State | Face Amount | Municipal Bonds |
|-------------------|---|--|
| Missouri - 2.0% | \$ 4,000 1,500 | Saint Louis County, Missouri, Pattonville R-3 School District, (Missouri Direct Deposit Program) (c) (j): 5.75% due 3/01/2010 6% due 3/01/2010 |
| Nevada - 2.4% | 2,800 1,500 2,700 | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), 5.50% due 9/01/2033 (k) Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, 5% due 7/01/2030 5% due 7/01/2036 |
| New Jersey - 5.9% | 3,000 1,070 500 2,400 4,800 2,300 2,000 | Garden State Preservation Trust of New Jersey, Open Space and Revenue Bonds, Series A, 5.80% due 11/01/2021 (f) New Jersey EDA, Cigarette Tax Revenue Bonds 5.75% due 6/15/2029 5.50% due 6/15/2031 New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5% due 7/01/2029 5.25% due 7/01/2033 New Jersey EDA, Revenue Bonds, ROLS (g) (l) (m): Series II-R-309-1, 8.543% due 6/15/2024 Series II-R-309-2, 8.543% due 6/15/2031 |
| New Mexico - 2.3% | 6,295 | New Mexico State Highway Commission, Tax Revenue Bonds, Senior Series A, 5.50% due 6/15/2010 (f) (j) |
| New York - 9.4% | 9,280 1,900 2,720 5,000 7,115 | Nassau Health Care Corporation, New York, Health System Revenue Bonds, Series A, 5.50% due 8/01/2009 (f) (j) New York City, New York, City Transitional Finance Authority, Revenue Refunding Bonds, Series C, 5.50% due 11/01/2024 New York City, New York, GO, Series D, 5.875% due 6/01/2021 (i) New York State Dormitory Authority, Revenue Refunding Bonds (Series A), Educational Facilities, 5.75% due 5/15/2010 (c) (j) Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A, 5.50% due 6/01/2022 (a) |
| Ohio - 2.3% | 5,120 1,170 | Plain, Ohio, Local School District, GO, Refunding (c): 6% due 6/01/2011 (j) 6% due 12/01/2020 |

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005

(in Thousands)

| State | Face Amount | Municipal Bonds |
|---------------------|-------------|---|
| Pennsylvania - 6.2% | \$ 500 | Allegheny County, Pennsylvania, Sanitation Authority, Sewer Revenue Bonds, Series A, 5.50% due 12/01/2010 (j) |

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

| | | |
|-----------------------|-------|--|
| | 100 | 5.50% due 12/01/2030 |
| | 3,335 | Delaware River Port Authority of Pennsylvania and New Jersey R Series 396, 9.373% due 1/01/2019 (f)(l) |
| | 5,500 | Pennsylvania State Public School Building Authority, School Le School District of Philadelphia Project), 5% due 6/01/2033 (f) |
| | 3,230 | Philadelphia, Pennsylvania, Authority for Industrial Developme Bonds, Series B, 5.50% due 10/01/2020 (f) |
| | 4,500 | Philadelphia, Pennsylvania, School District, GO, Series B, 5.6 due 8/01/2012 (c)(j) |
| Rhode Island - 1.4% | 4,010 | Rhode Island State Health and Educational Building Corporation Facilities Revenue Bonds (University of Rhode Island), Series due 9/15/2024 (i) |
| South Carolina - 0.8% | 2,500 | Spartanburg County, South Carolina, Solid Waste Disposal Facil (BMW Project), AMT, 7.55% due 11/01/2024 |
| Tennessee - 2.7% | 7,365 | Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southsi Corporation), 5.875% due 10/01/2024 (a) |
| Texas - 13.8% | 4,000 | Austin, Texas, Convention Center Revenue Bonds (Convention Ent Certificates, Second Tier, Series B, 5.75% due 1/01/2032 |
| | 2,730 | Corpus Christi, Texas, Utility System Revenue Refunding Bonds, due 7/15/2010 (f)(j) |
| | 3,250 | Dallas-Fort Worth, Texas, International Airport Revenue Bonds, 202, 9.325% due 11/01/2028 (c)(l) |
| | 1,185 | Dickinson, Texas, Independent School District, GO, Refunding (6% due 2/15/2010 (j) |
| | 55 | 6% due 2/15/2017 |
| | 1,190 | 6% due 2/15/2018 |
| | 4,000 | Gregg County, Texas, Health Facilities Development Corporation Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01 |
| | 1,900 | Houston, Texas, Airport System Revenue Refunding Bonds, Sub-Li due 7/01/2030 (f) |
| | 9,345 | Leander, Texas, Independent School District, Capital Appreciat (School Building), 5.51%** due 8/15/2030 (c) |
| | 3,500 | Lower Colorado River Authority, Texas, PCR (Samsung Austin Sem 6.375% due 4/01/2027 |

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|---|
| | \$ 4,925 | North Harris County, Texas, Regional Water Authority, Senior L Bonds, 5.125% due 12/15/2035 (i) |
| | 4,800 | Texas State Turnpike Authority, Central Texas Turnpike System 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% |
| Virginia - 0.8% | 2,100 | Halifax County, Virginia, IDA, Exempt Facility Revenue Refundi Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a) |

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

| | | |
|--------------------|-------|--|
| Washington - 6.3% | 2,150 | King County, Washington, Sewer Revenue Refunding Bonds, Series due 1/01/2027 (f) |
| | 1,600 | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, due 12/01/2034 (a) |
| | 7,470 | Port Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due |
| | 6,150 | Seattle, Washington, Municipal Light and Power Revenue Bonds, due 10/01/2009 (i) (j) |
| ----- | | |
| Puerto Rico - 0.9% | 2,500 | Puerto Rico Municipal Finance Agency, GO, Series A, 5.50% due |
| ----- | | |
| | | Total Municipal Bonds (Cost - \$429,833) - 148.9% |
| ----- | | |

| Shares Held | Short-Term Securities |
|-------------|---|
| 6,800 | Merrill Lynch Institutional Tax-Exempt Fund (o) |
| ----- | |
| | Total Short-Term Securities (Cost - \$6,800) - 2.2% |
| ----- | |
| | Total Investments (Cost - \$436,633*) - 151.1% |
| | Liabilities in Excess of Other Assets - (2.1%) |
| | Preferred Stock, at Redemption Value - (49.0%) |
| | Net Assets Applicable to Common Stock - 100.0% |

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

| | (in Thousands) |
|-------------------------------|----------------|
| Aggregate cost | \$ 436,633 |
| | ===== |
| Gross unrealized appreciation | \$ 27,076 |
| Gross unrealized depreciation | (666) |
| | ----- |
| Net unrealized appreciation | \$ 26,410 |
| | ===== |

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005

- ** Represents a zero coupon or step bond; the interest rate shown is the effective yield at the time of purchase by the Fund.
- (a) AMBAC Insured.
 - (b) CIFG Insured.
 - (c) FGIC Insured.
 - (d) FHA Insured.
 - (e) FNMA/GNMA Collateralized.
 - (f) FSA Insured.
 - (g) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
 - (h) XL Capital Insured.

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

- (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) Assured Guaranty Insured.
- (n) Escrowed to maturity.
- (o) 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:

| (in Thousands) | | |
|--|-----------------|--------------------|
| Affiliate | Net Activity | Dividend Income |
| Merrill Lynch Institutional Tax-Exempt Fund | 3,934 | \$ 36 |

MuniYield Quality Fund II, Inc.
Schedule of Investments as of July 31, 2005

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

| (in Thousands) | | |
|---|--------------------|----------------------------|
| | Notional Amount | Unrealized Appreciation |
| Pay a fixed rate of 3.593% and receive a floating rate based on 1-week USD Bond Market Association rate | | |
| Broker, JPMorgan Chase Bank Expires August 2015 | \$30,000 | \$ 99 |
| Pay a fixed rate of 3.542% and receive a floating rate based on 1-week USD Bond Market Association rate | | |
| Broker, JPMorgan Chase Bank Expires October 2015 | \$15,000 | 142 |
| Pay a fixed rate of 3.88% and receive a floating rate based on 1-week USD Bond Market Association rate | | |
| Broker, Morgan Stanley Capital Services, Inc. Expires September 2025 | \$10,000 | 110 |
| Total | | \$ 351 ===== |

Item 2 - Controls and Procedures

2(a) - The registrant's certifying officers have reasonably designed such

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

disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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.,
Chief Executive Officer
MuniYield Quality Fund II, Inc.

Date: September 23, 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.,
Chief Executive Officer
MuniYield Quality Fund II, Inc.

Date: September 23, 2005

By: /s/ Donald C. Burke

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

Date: September 23, 2005