

BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

September 28, 2009

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. (MQY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock MuniYield Quality Fund, Inc., 40 East 52nd Street, New York, NY 10022.

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 04/30/2010

Date of reporting period: 07/31/2009

Item 1 – Schedule of Investments

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments July 31, 2009 (Unaudited)

(Percentages shown are based on Net Assets)

State	Municipal Bonds	Par (000)	Value
Alabama - 2.2%	County of Jefferson Alabama, RB, Series A, 4.75%, 1/01/25	\$ 3,000	\$ 1,680,780
	University of Alabama, Alabama, RB, Series A (MBIA), 5.00%, 7/01/34	7,125	7,189,553
			8,870,333
Alaska - 1.0%	Borough of Matanuska-Susitna Alaska, RB, Goose Creek Correctional Center (AGC), 6.00%, 9/01/32	3,925	4,210,191
Arizona - 0.6%	Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/32	2,970	2,337,093
California - 18.7%	Alameda Corridor Transportation Authority, Refunding RB, CAB, Subordinate Lien, Series A (AMBAC), 5.52%, 10/01/25 (a)	4,150	3,134,039
	Arcadia Unified School District, California, GO, CAB, Election of 2006, Series A (FSA), 4.96%, 8/01/39 (b)	2,200	314,908
	Cabrillo Community College District, California, GO, CAB, Election of 2004, Series B (MBIA), 5.19%, 8/01/37 (b)	3,250	509,860
	Cabrillo Community College District, California, GO, CAB, Election of 2004, Series B (MBIA), 4.87%, 8/01/38 (b)	7,405	1,091,571
	California State University, RB, Systemwide, Series A (MBIA), 5.00%, 11/01/35	3,450	3,238,860
	Carlsbad Unified School District, GO, Election, Series B, 6.09%, 5/01/34 (a)	5,000	2,813,450
	Chino Valley Unified School District COP, GO, Election of 2002, Series C (MBIA), 5.25%, 8/01/30	1,200	1,203,060
	City of San Jose California, RB, Series A (AMBAC), AMT, 5.50%, 3/01/32	5,100	4,594,692
	Coast Community College District, California, GO, CAB, Election of 2002, Series C (FSA), 5.52%, 8/01/13 (a)	2,800	2,311,456
	El Monte Union High School District, California, GO, Election of 2002, Series C (FSA), 5.25%, 6/01/28	6,110	6,165,418
	Fresno Unified School District, California, GO, Election of 2001, Series E (FSA), 5.00%, 8/01/30	1,230	1,211,144
Golden State Tobacco Securitization Corp., California, RB, Enhanced, Asset Backed, Series B (Synchora), 5.50%, 6/01/13	10,000	11,407,000	
Los Angeles Municipal Improvement Corp., RB, Series B-1 (MBIA), 4.75%, 8/01/37	3,210	2,722,626	

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list.

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AGC	Assured Guaranty Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
FGIC	Financial Guaranty Insurance Co.
FSA	Financial Security Assurance Inc.
GAN	Grant Application Notes
GNMA	Government National Mortgage Association
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
ISD	Independent School District
MBIA	Municipal Bond Investors Assurance (National Public Finance Guaranty Corp.)
RB	Revenue Bonds
S/F	Single-Family
TAN	Tax Anticipation Notes

BlackRock MuniYield Quality Fund, Inc.

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State	Municipal Bonds	Par (000)	Value
	Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/29	\$ 4,000	\$ 4,079,560
	Metropolitan Water District of Southern California, RB, Authority, Series B-1 (MBIA), 5.00%, 10/01/36	2,275	2,279,072
	Mount Diablo Unified School District, California, GO, Election of 2002 (MBIA), 5.00%, 7/01/27	2,000	1,937,800
	Orange County Sanitation District, COP (MBIA), 5.00%, 2/01/33	2,750	2,654,190
	Orange County Sanitation District, COP, Series B (FSA), 5.00%, 2/01/30	3,500	3,447,080
	Orange County Sanitation District, COP, Series B (FSA), 5.00%, 2/01/31	1,200	1,173,708
	Port of Oakland, RB, Series K (MBIA), AMT, 5.75%, 11/01/29	2,405	2,246,751
	Poway Redevelopment Agency, California, TAN, Paguay Redevelopment Project (AMBAC), 5.13%, 6/15/33	2,000	1,605,020
	Sacramento City Unified School District, California, GO, Election of 2002 (MBIA), 5.00%, 7/01/30	2,500	2,461,650
	San Bernardino Community College District, California, GO, CAB, Election, Series B, 6.52%, 8/01/34 (a)	10,000	5,402,500
	San Jose Unified School District, Santa Clara County California, GO, Election of 2002, Series B (MBIA), 5.00%, 8/01/29	2,825	2,775,252
	San Mateo County Community College District, GO, Election of 2001, Series A (MBIA), 5.00%, 9/01/26	2,725	2,759,008
	State of California, GO, 5.13%, 6/01/27	30	29,876
	State of California, GO, 5.50%, 4/01/28	5	5,057
	Ventura County Community College District, GO, Election of 2002, Series B (MBIA), 5.00%, 8/01/30	3,150	3,101,711
			76,676,319
Colorado - 1.0%	Colorado Health Facilities Authority, RB, Insured, Covenant Retirement Community, Series A (Radian), 5.50%, 12/01/27	1,600	1,333,872
	Colorado Health Facilities Authority, RB, Insured, Covenant Retirement Community, Series A (Radian), 5.50%, 12/01/33	900	705,735
	E-470 Public Highway Authority, Colorado, RB, CAB, Series B (MBIA), 5.51%, 9/01/29 (b)	9,000	2,016,000
			4,055,607
District of Columbia - 0.1%	District of Columbia, RB, Catholic University (AMBAC), 5.63%, 10/01/29	570	576,213
Florida - 5.9%		1,100	999,449

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City of Miami Florida, RB, Miami Revenues (MBIA),
5.00%, 1/01/37

County of Duval Florida, COP, Master Lease Program (FSA), 5.00%, 7/01/33	3,100	2,990,880
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County of Miami-Dade Florida, GO, Building Better Community Program, Series B, 6.38%, 7/01/28	3,300	3,631,782
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County of Miami-Dade Florida, RB, Miami International Airport, AMT (Syncora), 5.00%, 10/01/40	8,200	6,815,676
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County of Miami-Dade Florida, RB, Miami International Airport, Series A (CIFG), AMT, 5.00%, 10/01/38	2,900	2,346,941
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State	Municipal Bonds	Par (000)	Value
	County of Orange Florida, RB, Series B (MBIA), 5.13%, 1/01/32	\$ 2,200	\$ 2,175,338
	Florida State Department of Environmental Protection, RB, Series B (MBIA), 5.00%, 7/01/27	2,545	2,550,344
	South Florida Water Management District, COP (AGC), 5.00%, 10/01/22	2,700	2,814,156
			24,324,566
Georgia - 1.5%	City of Atlanta Georgia, RB, Series A (MBIA), 5.00%, 11/01/33	1,200	1,064,352
	City of Atlanta Georgia, RB, Series A (MBIA), 5.00%, 11/01/39	2,525	2,166,526
	City of Augusta Georgia, RB (FSA), 5.25%, 10/01/39	2,820	2,850,259
			6,081,137
Hawaii - 0.5%	State of Hawaii, GO, Series CX (FSA), 5.50%, 2/01/21	2,000	2,131,060
Illinois - 21.7%	Chicago Board of Education, Illinois, GO, Chicago School Reform Board, Series A (MBIA), 5.50%, 12/01/26	2,000	2,190,620
	City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2, AMT (Syncora), 6.00%, 1/01/29	3,300	3,318,810
	City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2 (FSA), AMT, 5.75%, 1/01/23	3,400	3,439,372
	City of Chicago Illinois, RB, General, Airport 3rd Lien, Series B-2 (FSA), AMT, 5.75%, 1/01/24	4,000	4,040,080
	City of Chicago Illinois, RB, Project, Series A (AGC), 5.00%, 1/01/38	4,000	3,910,800
	City of Chicago Illinois, Refunding RB, General Airport Third Lien, Series A (MBIA), AMT, 5.75%, 1/01/21	13,665	13,688,640
	City of Chicago Illinois, Refunding RB, General Airport Third Lien, Series A (MBIA), AMT, 5.50%, 1/01/22	5,000	4,907,250
	City of Chicago Illinois, Refunding RB, General Airport Third Lien, Series A (MBIA), AMT, 5.38%, 1/01/32	12,500	11,079,875
	City of Chicago Illinois, Refunding RB, General, Series Airport, 3rd Lien, Series A-2 (FSA), AMT, 5.75%, 1/01/21	2,665	2,705,268
	County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/12 (c)	5,080	5,804,408
	Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.52%, 6/15/30 (a)	28,525	26,721,364
	Metropolitan Pier & Exposition Authority, Illinois, RB, McCormick Place Expansion Project (MBIA), 5.50%, 12/15/24	7,000	7,135,380

88,941,867

Indiana - 2.4%			
	Indiana Municipal Power Agency, Indiana, RB, Indiana Municipal Power Agency Series B, 5.75%, 1/01/34	550	556,479
	Indiana Municipal Power Agency, Indiana, RB, Series A (MBIA), 5.00%, 1/01/37	2,750	2,627,488
	Indianapolis Local Public Improvement Bond Bank, RB, Airport Authority Project, Series B (MBIA), AMT, 5.25%, 1/01/28	2,370	2,203,294
	Indianapolis Local Public Improvement Bond Bank, RB, Airport Authority Project, Series B (MBIA), AMT, 5.25%, 1/01/30	5,055	4,617,389
			10,004,650

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State	Municipal Bonds	Par (000)	Value
Iowa - 1.2%	Iowa Finance Authority, RB, Series A, Remarketed (AGC), 5.63%, 8/15/37	\$ 4,825	\$ 4,801,261
Louisiana - 1.7%	Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Capital Projects & Equipment Acquisition, Series A (AMBAC), 6.30%, 7/01/30	1,450	1,401,251
	Louisiana Public Facilities Authority, Refunding RB, Christus Health, Series B (AGC), 6.50%, 7/01/30	1,800	1,978,020
	Louisiana State Transportation Authority, RB, CAB, Senior Lien, La 1 Project, Series B (AMBAC), 5.31%, 12/01/27 (b)	4,675	1,647,657
	Rapides Finance Authority, Louisiana, RB, Cleco Power LLC Project (AMBAC), AMT, 4.70%, 11/01/36	800	578,136
	State of Louisiana, RB, Series A (FSA), 4.75%, 5/01/39	1,500	1,457,985
			7,063,049
Maryland - 0.4%	Maryland Community Development Administration, RB, Residential, Series A, AMT, 5.75%, 9/01/39	1,725	1,765,037
Massachusetts - 2.5%	Massachusetts HFA, Massachusetts, RB, Rental, Mortgage, Series C (FSA), AMT, 5.60%, 1/01/45	4,000	3,897,640
	Massachusetts Housing Finance Agency, Massachusetts, RB, S/F Housing, Series 128 (FSA), AMT, 4.80%, 12/01/27	2,200	2,049,850
	Massachusetts Port Authority, RB, Delta Air Lines Inc. Project, Series A (AMBAC), AMT, 5.50%, 1/01/19	3,825	2,682,434
	Massachusetts State Water Resource Authority, General Refunding RB, Series A, 5.00%, 8/01/34	1,800	1,810,620
			10,440,544
Michigan - 7.6%	City of Detroit Michigan, RB, Second Lien, Series E, Remarketed (FGIC), 5.75%, 7/01/31	8,300	8,574,149
	City of Detroit Michigan, RB, System, Second Lien, Series B (MBIA), 5.00%, 7/01/36	4,650	3,950,547
	Michigan Higher Education Student Loan Authority, Michigan, RB, Student Loan, Series XVII G (AMBAC) AMT, 5.20%, 9/01/20	2,140	2,032,615
	Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series A (Syncora), AMT, 5.50%, 6/01/30	1,700	1,479,357
	Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series C, AMT (Syncora), 5.45%, 12/15/32	5,800	4,925,186
	Michigan Strategic Fund, Refunding RB, Detroit Edison Poll, Series C, AMT (Syncora), 5.65%, 9/01/29	3,300	2,943,633
		3,510	3,959,526

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	Royal Oak Hospital Finance Authority, Michigan, RB, William Beaumont Hospital, 8.25%, 9/01/39		
	State of Michigan, RB, GAN (FSA), 5.25%, 9/15/26	3,350	3,396,230
			31,261,243
Minnesota - 1.0%	City of Minneapolis Minnesota, RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	3,665	3,992,394
	Dakota County Community Development Agency, RB, Mortgage, Backed Securities Program, Series B (GNMA), AMT, 5.15%, 12/01/38	169	169,715
			4,162,109

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State	Municipal Bonds	Par (000)	Value
Nebraska - 0.6%	County of Washington Nebraska, RB, Cargill Inc. Project, AMT, 5.90%, 11/01/27	\$ 2,300	\$ 2,298,482
Nevada - 8.7%	City of Carson City Nevada, RB, Carson, Tahoe Hospital Project, Series A (Radian), 5.50%, 9/01/33	4,100	3,226,126
	City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,150	1,212,767
	County of Clark Nevada, RB, Southwest Gas Corp. Project, Series A (FGIC), AMT, 4.75%, 9/01/36	45	33,079
	County of Clark Nevada, RB, Southwest Gas Corp. Project, Series D (MBIA), AMT, 5.25%, 3/01/38	12,000	9,505,200
	County of Clark Nevada, RB, Subordinate Lien, Series A-2 (MBIA), 5.00%, 7/0		