

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

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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.  
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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)

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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.  
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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)

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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)

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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)

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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

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(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)

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	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)

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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.

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- (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



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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