

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

MUNIYIELD QUALITY FUND II INC  
 Form N-Q  
 September 29, 2006

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: 10/31/2006

Date of reporting period: 05/01/06 - 07/31/06

Item 1 - Schedule of Investments

MuniYield Quality Fund II, Inc.  
 Schedule of Investments as of July 31, 2006 (in Thousands)

State	Face Amount	Municipal Bonds
Arizona - 1.0%	\$ 2,700	Northern Arizona University System Revenue Bonds, 5.50% due 6/01/2025
California - 29.0%	8,150	Alameda Corridor Transportation Authority, California, Capital Ap Refunding Bonds, Subordinate Lien, Series A, 5.319% due 10/01/2025
	3,800	Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (g)
	2,500	California Health Facilities Financing Authority Revenue Bonds (K RIB, Series 26, 7.06% due 6/01/2022 (g)(l)
	2,200	California State, GO, Refunding, 5.25% due 9/01/2010 (i)
	1,500	California State, GO, Refunding, 5.125% due 6/01/2027
	1,950	California State, GO, Refunding, ROLS, Series II-R-272, 6.726% du
	1,600	California State Public Works Board, Lease Revenue Bonds (Departm Series C, 5% due 6/01/2025
	2,200	California State University, Systemwide Revenue Bonds, Series A, (e)
	2,750	California State, Various Purpose, GO, 5.25% due 11/01/2029
	6,500	California State, Various Purpose, GO, 5.50% due 11/01/2033
	1,350	California State, Various Purpose, GO, Refunding, 5% due 12/01/2030

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15,000	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series E, 5.15% due 8/01/2026 (j)
1,370	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2026 (k)
2,770	Fairfield-Suisun, California, Unified School District, GO (Election of 2002), Series A, 5.5% due 8/01/2028 (h)
2,300	Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.50% due 6/01/2013 (i)(k)
3,725	Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.625% due 6/01/2013 (c)(i)
2,815	John Swett Unified School District, California, GO, Series A, 5.5% due 8/01/2028 (h)

### 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)
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HFA	Housing Finance Agency
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, 2006 (in Thousands)

State	Face Amount	Municipal Bonds
	\$ 9,300	Los Angeles, California, Unified School District, GO, Series A, 5.5% due 8/01/2028 (h)
	2,600	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2029 (e)
	1,475	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2036 (e)
	2,300	Orange County, California, Sanitation District, COP, 5% due 2/01/2013 (i)(k)
	2,900	Palm Springs, California, Financing Authority, Lease Revenue Refunding Bonds (Convention Center Project), Series A, 5.50% due 11/01/2029 (h)
	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 Revenue Bonds, Series A, 5% due 8/15/2028 (h)
	1,350	Sacramento, California, Unified School District, GO (Election of 2002), Series A, 5.5% due 7/01/2030 (h)
	1,325	Tamalpais, California, Union High School District, GO (Election of 2002), Series A, 5.5% due 8/01/2028 (g)
	1,000	University of California, Limited Project Revenue Bonds, Series B, 5.5% due 8/01/2028 (h)

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	2,025	Ventura County, California, Community College District, GO (Elect Series B, 5% due 8/01/2030 (h)
Colorado - 5.8%	1,150	Colorado Health Facilities Authority Revenue Bonds (Catholic Heal Series A, 5.50% due 3/01/2032 (d)
	1,200	Colorado Health Facilities Authority Revenue Bonds (Covenant Reti Inc.), Series A, 5.50% due 12/01/2027 (j)
	675	Colorado Health Facilities Authority Revenue Bonds (Covenant Reti Inc.), Series A, 5.50% due 12/01/2033 (j)
	1,245	Colorado Housing and Finance Authority, Revenue Refunding Bonds ( Series B-2, 6.80% due 2/01/2031 (h)
	7,500	E-470 Public Highway Authority, Colorado, Capital Appreciation Re Bonds, Series B, 5.607% due 9/01/2032 (h) (m)
	10,975	Northwest Parkway, Colorado, Public Highway Authority, Capital Ap Bonds, Senior Convertible, Series C, 5.327% due 6/15/2025 (g) (m)
	1,735	Northwest Parkway, Colorado, Public Highway Authority Revenue Ref due 6/15/2021 (a)
Florida - 3.4%	800	Halifax Hospital Medical Center, Florida, Hospital Revenue Refund 5% due 6/01/2038
	1,250	Highlands County, Florida, Health Facilities Authority, Hospital (Adventist Health System), Series C, 5.25% due 11/15/2036
	2,300	Miami-Dade County, Florida, School Board, COP, Series A, 5% due 1
	4,575	Miami-Dade County, Florida, Subordinate Special Obligation Revenue 5.21% due 10/01/2034 (h) (m)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of July 31, 2006

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 4,495	Miami-Dade County, Florida, Subordinate Special Obligation Revenue 5.22% due 10/01/2035 (h) (m)
	3,575	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series 1/01/2032 (e)
Georgia - 9.7%	5,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series 1/01/2033 (g)
	8,500	Atlanta, Georgia, Airport Passenger Facility Charge, Revenue Refu Series II-R-517X, 6.239% due 1/01/2033 (g) (l)
	5,000	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.87
	2,850	Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11/0
	4,075	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5
	2,170	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/
Illinois - 17.6%	5,200	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Th Series B-2, 5.75% due 1/01/2023 (g)
	2,200	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Th Series B-2, 6% due 1/01/2029 (k)
	4,750	Chicago, Illinois, O'Hare International Airport, Revenue Refundin AMT, Series 844Z, 6.999% due 7/01/2010 (h) (l)
	2,460	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% d
	10,000	Illinois Regional Transportation Authority Revenue Bonds, 6.50% d
	21,675	Illinois Sports Facilities Authority, State Tax Supported Revenue 6/15/2030 (a) (m)

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	3,625	Metropolitan Pier and Exposition Authority, Illinois, Dedicated S Refunding Bonds, DRIVERS, Series 269, 7.524% due 6/15/2023 (h) (l)
-----		
Indiana - 4.3%	3,350	Indiana Transportation Finance Authority, Highway Revenue Bonds, 6/01/2028 (g)
	3,750	Indiana Transportation Finance Authority, Highway Revenue Bonds, 6/01/2028 (e)
	5,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, 6/01/2029 (e)
-----		
Kansas - 0.5%	1,530	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue AMT, Series A-2, 6.45% due 12/01/2033 (f) (h)
-----		
Louisiana - 7.2%	2,210	Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortgage AMT, Series B-1, 6.65% due 12/01/2033 (f) (h)
	5,500	Lafayette, Louisiana, Utilities Revenue Bonds, 5% due 11/01/2028
	3,900	Louisiana Local Government, Environmental Facilities, Community Development Revenue Bonds (Capital Projects and Equipment Acquisition), Series 7/01/2030 (a)
	1,800	Louisiana State Citizens Property Insurance Corporation, Assessments Series B, 5% due 6/01/2023 (a)
	3,185	Louisiana State Transportation Authority, Senior Lien Toll Revenue Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a) (m)

MuniYield Quality Fund II, Inc.

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(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 4,200	New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Sub-Series A, 5.25% due 7/15/2028 (a)
	1,300	Terrebonne Parish, Louisiana, Hospital Service District Number 1, Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2011 (g) (l)
-----		
Massachusetts - 11.0%	1,375	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Series A, 5% due 7/01/2035
	8,600	Massachusetts Bay Transportation Authority, Special Assessment Revenue Bonds, Series A, 5% due 7/01/2031
	10,000	Massachusetts State, HFA, Housing Revenue Bonds, DRIVERS, AMT, Series 1/01/2011 (g) (l)
	2,785	Massachusetts State Port Authority, Special Facilities Revenue Bonds, Series 501, 6.999% due 7/01/2009 (a) (l)
	5,800	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (g)
	1,800	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, Series 1/01/2014 (e) (i)
	840	Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125% due 8/01/2027 (h)
-----		
Michigan - 5.8%	1,500	Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, Series B, 5.20% due 7/01/2036 (e)
	8,900	Detroit, Michigan, Water Supply System Revenue Bonds, Series B, 5.20% due 7/01/2036 (h) (i)
	1,000	Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)

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	1,000	Michigan State Strategic Fund, Limited Obligation Revenue Refunding (Edison Company Pollution Control Project), AMT, Series A, 5.50% due 3/01/2010 (e) (i)
	3,900	Michigan State Strategic Fund, Limited Obligation Revenue Refunding (Edison Company Pollution Control Project), AMT, Series C, 5.45% due 3/01/2010 (e) (i)
Missouri - 1.9%	2,000	Saint Louis County, Missouri, Pattonville R-3 School District, GO (Deposit Program), 5.75% due 3/01/2010 (e) (i)
	2,000	Saint Louis County, Missouri, Pattonville R-3 School District, GO (Deposit Program), 5.75% due 3/01/2010 (e) (i)
	1,500	Saint Louis County, Missouri, Pattonville R-3 School District, GO (Deposit Program), 6% due 3/01/2010 (e) (i)
Nebraska - 0.4%	1,300	Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, due 4/01/2033 (g)
Nevada - 2.4%	2,800	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), A, 5.50% due 9/01/2033 (j)
	1,500	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, due 7/01/2030 (e)
	2,700	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, due 7/01/2036 (e)

MuniYield Quality Fund II, Inc.  
Schedule of Investments as of July 31, 2006

(in Thousands)

State	Face Amount	Municipal Bonds
New Jersey - 7.1%	\$ 1,070	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2029
	500	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031
	2,400	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.75% due 3/01/2028
	4,800	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.75% due 3/01/2028 (h)
	2,300	New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-1, 7.233% due 3/01/2028
	2,000	New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-2, 7.233% due 3/01/2028
	2,600	New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, 5.75% due 3/01/2028
	4,000	New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, 5.75% due 9/01/2028
New Mexico - 2.3%	6,295	New Mexico State Highway Commission, Tax Revenue Bonds, Senior Series A, 5.75% due 6/15/2010 (g) (i)
New York - 8.0%	1,800	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (e)
	9,280	Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75% due 8/01/2009 (g) (i)
	5,000	New York State Dormitory Authority Revenue Refunding Bonds (State Educational Facilities), 5.75% due 5/15/2010 (e) (i)
	6,115	Tobacco Settlement Financing Corporation of New York Revenue Bonds, 5.75% due 6/01/2022 (a)
Ohio - 2.3%	5,120	Plain, Ohio, Local School District, GO, Refunding, 6% due 6/01/2028
	1,170	Plain, Ohio, Local School District, GO, Refunding, 6% due 12/01/2028

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Pennsylvania - 4.9%	3,335	Delaware River Port Authority of Pennsylvania and New Jersey Revenue Bonds, Series 396, 8.063% due 1/01/2019 (g) (1)
	7,075	Pennsylvania State Public School Building Authority, School Lease Revenue Bonds (School District of Philadelphia Project), 5% due 6/01/2033 (g)
	3,230	Philadelphia, Pennsylvania, Authority for Industrial Development, Revenue Bonds, Series B, 5.50% due 10/01/2020 (g)
-----		
Rhode Island - 1.4%	4,010	Rhode Island State Health and Educational Building Corporation, Health and Educational Facilities Revenue Bonds (University of Rhode Island), Series A, 5.00% due 10/01/2020 (h) (i)
-----		
South Carolina - 6.6%	2,450	Berkeley County, South Carolina, School District, Installment Lease Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2030
	1,363	Charleston Educational Excellence Financing Corporation, South Carolina Revenue Bonds, ROLS, Series II-R-481X-1, 6.746% due 12/01/2028 (b) (1)
	1,212	Charleston Educational Excellence Financing Corporation, South Carolina Revenue Bonds, ROLS, Series II-R-481X-2, 6.746% due 12/01/2029 (b) (1)
	440	Charleston Educational Excellence Financing Corporation, South Carolina Revenue Bonds, ROLS, Series II-R-481X-3, 6.746% due 12/01/2030 (b) (1)

MuniYield Quality Fund II, Inc.  
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(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 2,075	Kershaw County, South Carolina, Public Schools Foundation, Installment Lease Revenue Bonds, 5% due 12/01/2029 (c)
	5,000	South Carolina Transportation Infrastructure Bank Revenue Bonds, Series 1285Z, 6.041% due 4/01/2011 (a) (1)
	6,100	South Carolina Transportation Infrastructure Bank Revenue Bonds, Series 10/01/2033 (a)
-----		
Tennessee - 0.8%	2,150	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Corporation), 5.875% due 10/01/2024 (a)
-----		
Texas - 10.9%	2,000	Corpus Christi, Texas, Utility System Revenue Refunding Bonds, Series 7/15/2010 (g) (i)
	3,250	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, Series 202, 8.004% due 11/01/2028 (e) (1)
	4,000	Gregg County, Texas, Health Facilities Development Corporation, Health Facilities Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2020
	9,345	Leander, Texas, Independent School District, Capital Appreciation Revenue Bonds (School Building), 5.51% due 8/15/2030 (e) (m)
	8,800	Leander, Texas, Independent School District, Capital Appreciation Revenue Bonds (School Building), 5.58% due 8/15/2035 (m)
	3,500	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), 6.375% due 4/01/2027
	4,925	North Harris County, Texas, Regional Water Authority, Senior Lien Revenue Bonds, 5.125% due 12/15/2035 (h)
	4,800	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, Tier, Series A, 5.75% due 8/15/2038 (a)
3,600	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, Tier, Series A, 5.50% due 8/15/2039 (a)	
-----		
Virginia - 0.8%	2,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds

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Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)		
Washington - 5.5%	7,470	Port of Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due
	1,600	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5. (a)
	6,150	Seattle, Washington, Municipal Light and Power Revenue Bonds, 6% (h) (i)
Puerto Rico - 1.2%	3,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 7/01/2029
Total Municipal Bonds (Cost - \$435,040) - 151.8%		

Shares Held	Short-Term Securities
1,400	Merrill Lynch Institutional Tax-Exempt Fund, 3.45% (n) (o)
Total Short-Term Securities (Cost - \$1,400) - 0.5%	
Total Investments (Cost - \$436,440*) - 152.3%	
Other Assets Less Liabilities - 1.8%	

MuniYield Quality Fund II, Inc.  
 Schedule of Investments as of July 31, 2006 (in Thousands)

Preferred Stock, at Redemption Value - (54.1%)  
 Net Assets Applicable to Common Stock - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 436,440
	=====
Gross unrealized appreciation	\$ 16,102
Gross unrealized depreciation	(1,122)
	-----
Net unrealized appreciation	\$ 14,980
	=====

- (a) AMBAC Insured.
- (b) Assured Guaranty Insured.
- (c) CIFG Insured.
- (d) Escrowed to maturity.
- (e) FGIC Insured.
- (f) FNMA/GNMA Collateralized.
- (g) FSA Insured.
- (h) MBIA Insured.
- (i) Prerefunded.

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- (j) Radian Insured.
- (k) XL Capital Insured.
- (l) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (m) Represents a zero coupon or a step bond; the interest rate shown is the effective yield at the time of purchase.
- (n) 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	--	\$ 75

- (o) Reflects the current yield as of July 31, 2006.
- o Forward interest rate swaps outstanding as of July 31, 2006 were as follows:

	Notional Amount	Unreal Depreci
Pay a Fixed rate of 4.168% and receive a floating rate based on 1-week Bond Market Association rate		
Broker, JPMorgan Chase Bank Expires August 2016	\$ 30,000	\$ (35
Pay a fixed rate of 4.285% and receive a floating rate based on 1-week Bond Market Association rate		
Broker, JPMorgan Chase Bank Expires September 2021	\$ 14,000	(14
Total		\$ (50

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.
- 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



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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 20, 2006

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 20, 2006

By: /s/ Donald C. Burke

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

Date: September 20, 2006