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MUNIYIELD QUALITY FUND INC

Form N-CSR

January 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-06660

Name of Fund: MuniYield Quality Fund, 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, 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 - 10/31/05

Item 1 - Report to Stockholders

MuniYield Fund, Inc.
MuniYield Quality Fund, Inc.
MuniYield Quality Fund II, Inc.

Annual Reports
October 31, 2005

MuniYield Fund, Inc.
MuniYield Quality Fund, Inc.
MuniYield Quality Fund II, Inc.

The Benefits and Risks of Leveraging

The Funds utilize leveraging to seek to enhance the yield and net asset value of their Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, each Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of each Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

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To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns the income based on long-term interest rates.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As a part of their investment strategy, the Funds may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Funds to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed-rate, tax-exempt securities. To the extent the Funds invest in inverse floaters, the market value of each Fund's portfolio and the net asset value of each Fund's shares may also be more volatile than if the Funds did not invest in these securities. As of October 31, 2005, the percentages of MuniYield Fund, Inc.'s, MuniYield Quality Fund, Inc.'s and MuniYield Quality Fund II, Inc.'s total net assets invested in inverse floaters were 7.69%, 12.58% and 11.67%, respectively, before the deduction of Preferred Stock.

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A Letter From the President

Dear Shareholder

As the financial markets continued to muddle their way through 2005, the Federal Reserve Board (the Fed) advanced its monetary tightening campaign full steam ahead. The 12th consecutive interest rate hike since June 2004 came on November 1, bringing the target federal funds rate to 4%. The central bank is clearly more focused on inflationary figures than on economic growth, which has shown some signs of moderating. Despite rising short-term interest rates and record-high energy prices, the major market indexes managed to post positive results for the current reporting period:

Total Returns as of October 31, 2005

6-month

12-month

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U.S. equities (Standard & Poor's 500 Index)	+ 5.27%	+ 8.72%
Small-cap U.S. equities (Russell 2000 Index)	+12.25	+12.08
International equities (MSCI Europe Australasia Far East Index)	+ 8.63	+18.09
Fixed income (Lehman Brothers Aggregate Bond Index)	+ 0.15	+ 1.13
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 0.59	+ 2.54
High yield bonds (Credit Suisse First Boston High Yield Index)	+ 2.87	+ 3.54

The headlines in recent months focused on Hurricanes Katrina and Rita and, more recently, the nomination of Ben Bernanke to succeed Alan Greenspan as Chairman of the Fed. While the hurricanes prompted a spike in energy prices and short-term disruptions to production and spending, the longer-term economic impact is likely to be tempered. In fact, the fiscal stimulus associated with reconstruction efforts in the Gulf Coast region could add to gross domestic product growth in 2006. Notably, the uncontroversial nomination of Dr. Bernanke was well received by the markets.

The U.S. equity markets remained largely range bound in 2005. Up to this point, strong corporate earnings reports and relatively low long-term bond yields have worked in favor of equities. Looking ahead, high energy prices, continued interest rate hikes, a potential consumer slowdown and/or disappointing earnings pose the greatest risks to U.S. stocks. Internationally, many markets have benefited from strong economic statistics, trade surpluses and solid finances.

The bond market continued to be characterized by a flattening yield curve, although long-term yields finally began to inch higher toward period end. The 10-year Treasury yield hit 4.57% on October 31, 2005, its highest level in more than six months. Still, the difference between the two-year and 10-year Treasury yield was just 17 basis points (.17%) at period end, compared to 149 basis points a year earlier.

Financial markets are likely to face continued crosscurrents in the months ahead. Nevertheless, opportunities do exist and we encourage you to work with your financial advisor to diversify your portfolio among a variety of asset types. This can help to diffuse risk while also tapping into the potential benefits of a broader range of investment alternatives. As always, we thank you for trusting Merrill Lynch Investment Managers with your investment assets.

Sincerely,

/s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
President and Director

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A Discussion With Your Funds' Portfolio Managers

The Funds outperformed their respective Lipper category averages for the fiscal year and ended the period with a relatively neutral exposure to interest

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rate risk.

Describe the recent market environment relative to municipal bonds.

Over the past year, long-term bond yields were little changed. Initially, U.S. Treasury prices rallied strongly while their yields, which move in the opposite direction, fell. By the end of June 2005, 30-year U.S. Treasury bond yields had declined 60 basis points (.60%) to 4.19%. Bond prices improved in response to several favorable factors, including moderating U.S. economic growth, slowing growth in foreign economies, modest inflationary pressures and strong demand for U.S. Treasury issues from Asian governments.

During the final months of the period, however, bond yields rose (prices fell) as investors worried that higher energy costs in the wake of Hurricanes Katrina and Rita would pressure inflation upward. Stronger-than-expected third quarter gross domestic product growth also added to inflationary concerns. For its part, the Federal Reserve Board (the Fed) continued to raise short-term interest rates at each of its meetings, lifting the federal funds target rate to 4% on November 1, 2005. As short-term interest rates moved higher in concert with the Fed interest rate hikes and longer-term bond yields remained steadier, the yield curve continued to flatten.

During the past 12 months, 30-year Treasury bond yields declined three basis points to 4.76%, while 10-year Treasury note yields rose 52 basis points to 4.57%. Tax-exempt bond yields exhibited a similar pattern. According to Municipal Market Data, the yield on AAA-rated issues maturing in 30 years increased one basis point to 4.59%, while the yield on AAA-rated issues maturing in 10 years rose 52 basis points to 3.92%.

Historically low nominal tax-exempt bond yields continued to encourage municipalities to issue new debt and refund outstanding, higher-coupled issues. During the past year, more than \$394 billion in new long-term tax-exempt bonds was issued, an 8.4% increase over the previous year's total of \$363 billion. During the first nine months of 2005, the volume of refunding issues increased by more than 55% versus the same period one year ago. Refunding issues were heavily weighted in the 10-year - 20-year maturity range, putting pressure on intermediate tax-exempt bond yields while supporting longer-term bond prices.

Investor demand for municipal product remained positive during most of the period. The most current statistics from the Investment Company Institute indicate that, year-to-date through September 2005, net new cash flows into long-term municipal bond funds exceeded \$6.7 billion -- a significant improvement from the \$12.9 billion net outflow seen during the same period in 2004. Notably, throughout much of the past year, high yield tax-exempt bond funds have been the principal target for these new cash inflows. During recent months, these lower-rated and non-rated bond funds received an average of \$115 million per week. The need to invest these cash flows has led to strong demand for lower-rated issues and a consequent narrowing of credit spreads.

Solid investor demand for tax-exempt issues generally helped municipal bond performance approach that of taxable bonds in recent months and reverse some of their prior underperformance. In addition, the ratio of tax-exempt bond yields to taxable bond yields remains attractive and should continue to draw both traditional and non-traditional investors to the municipal marketplace, especially if municipal bond issuance remains manageable.

The communities shattered by Hurricanes Katrina and Rita will require extensive reconstruction. It is too early to estimate the amount of tax-exempt debt that may be required to finance these efforts or to assess the overall impact on the municipal market. However, much of the rebuilding is likely to be funded through federal loans and grants, and the reconstruction will likely be spread over a number of years. Consequently, any new municipal bond issuance prompted by the

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hurricanes is not likely to disrupt the tax-exempt market in the near future.

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MuniYield Fund, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2005, the Common Stock of MuniYield Fund, Inc. had net annualized yields of 6.86% and 7.00%, based on a year-end per share net asset value of \$14.48 and a per share market price of \$14.20, respectively, and \$.994 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +8.38%, based on a change in per share net asset value from \$14.31 to \$14.48, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, significantly exceeded the +5.08% average return of the Lipper General Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues rated in the top four credit-rating categories. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.)

Fund performance was driven by our overweight exposure to lower-rated, higher-yielding credits, which outperformed the broader market as credit spreads tightened during the year. The Fund benefited from the incremental yield generated by these issues. Also additive to performance was our above-average exposure to industrial development bonds, those issued by governmental agencies on behalf of corporate entities to finance qualified projects. In selecting securities in these sectors, we used the skill of our in-house staff of analysts, and we were effectively able to capture much of the spread compression and outperformance generated by these issues.

In addition, our neutral duration posture (that is, interest rate risk consistent with that of our peers) and our strategy of moving further out on the municipal yield curve enhanced results for the period. Based on our expectation that the curve would flatten, we reduced exposure to bonds with 10-year maturities in favor of 15-year and 25-year - 30-year issues. As the curve flattened significantly, longer-dated bonds outperformed those with shorter maturities, and Fund performance benefited accordingly.

For the six-month period ended October 31, 2005, the total investment return on the Fund's Common Stock was +1.88%, based on a change in per share net asset value from \$14.70 to \$14.48, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock may vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

Portfolio activity during the year was primarily driven by our curve flattening strategy, but also by our perception of good relative value at other points along the yield curve. Specifically, in and around the 15-year and 25-year areas

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of the curve, we purchased high-quality, liquid names. We paid for these purchases with the proceeds from bonds that recently had been advance refunded. This enabled us to lock in capital gains and redeploy the assets in areas where we identified compelling value.

We reduced our overweight exposure to some of the riskier, higher-yielding credits, albeit at a modest pace. In particular, we trimmed our position in industrial development bonds rated B and BB. For the most part, the proceeds from these sales were reinvested in health care and land-secured special tax bonds, both of which exhibit stable credit outlooks.

For the six-month period ended October 31, 2005, the Fund's Auction Market Preferred Stock (AMPS) had average yields of 2.60% for Series A, 2.54% for Series B, 2.72% for Series C, 2.20% for Series D, 2.41% for Series E, 2.43% for Series F and 2.43% for Series G. The Fed's interest rate hikes are clearly having a material impact on the Fund's borrowing costs. The Fed raised the short-term interest rate target 200 basis points during the 12-month period (and 25 basis points more on November 1). Still, the tax-exempt yield curve remained relatively steep and continued to generate an income benefit to the holders of Common Stock from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 34.33% of total net assets, before the deduction of Preferred Stock. (For a more

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A Discussion With Your Funds' Portfolio Managers (continued)

complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

At period-end, the Fund was positioned relatively neutral in terms of interest rate risk, and somewhat less heavily weighted in lower-rated and non-rated securities. We anticipate making further progress in reducing that exposure in the coming months. In addition, we would also expect to lengthen the portfolio's duration modestly, anticipating a slower economy and reflecting our view that current inflationary fears are transitory. We will look to maintain our yield advantage, a strategy that has enabled the Fund to outperform its peers in a relatively stable interest rate environment.

MuniYield Quality Fund, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2005, the Common Stock of MuniYield Quality Fund, Inc. had net annualized yields of 6.37% and 6.71%, based on a year-end per share net asset value of \$15.02 and a per share market price of \$14.27, respectively, and \$.957 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +3.10%, based on a change in per share net asset value from \$15.54 to \$15.02, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, outpaced the +2.93% average return of the Lipper Insured Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.)

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The advance refunding of significant positions in the portfolio benefited Fund performance most, particularly in the second half of the year. When municipal bonds are advance refunded, or refinanced ahead of their maturity date, their prices generally increase sharply. In addition, our defensive market posture, which detracted from relative performance in the first half of the fiscal year, enhanced results in the second half as long-term interest rates rose. Finally, our ability to generate an above-average yield was additive to performance throughout the 12-month period.

For the six-month period ended October 31, 2005, the total investment return on the Fund's Common Stock was +.58%, based on a change in per share net asset value from \$15.41 to \$15.02, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

As in prior periods, we continued to favor bonds in the 25-year maturity range and with premium coupons. More recently, we began to transition away from our defensive market stance, taking advantage of episodes of market weakness (rising yields and falling prices) to move toward a more neutral duration. We made this shift in recognition of the overall higher yields in the market. The long end of the curve, where yields had remained stubbornly low, finally began to inch higher toward period-end.

The yield curve flattening phenomenon continued throughout the year, although it was a much more significant factor in the first half of the fiscal year than in the latter months. From May to October, the municipal yield curve flattened approximately 10 basis points - 15 basis points between the 10-year and 30-year sectors. This compared to 40 basis points in flattening in the first six months. Nevertheless, we continued to pursue higher yields throughout the year by moving further out on the curve and reducing exposure to shorter maturities. In doing so, we carefully considered each bond's acquisition yield to ensure that the sales would not have a material negative impact on the Fund's income stream, as some of these shorter-maturity bonds were acquired in higher interest rate environments. We also maintained the Fund's fully invested position in an effort to preserve the level of income available to shareholders.

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Finally, the Fund increased its use of leverage during the period with the issuance of additional Auction Market Preferred Stock (AMPS). The goal was to bring the Fund's AMPS leverage more in line with that of its peers and to generate additional income for the portfolio. With the proceeds from the sale of the AMPS, we invested in the longer end of the municipal yield curve, consistent with our underlying investment strategy.

For the six-month period ended October 31, 2005, the Fund's AMPS had average yields of 2.61% for Series A, 2.35% for Series B, 2.34% for Series C, 2.32% for Series D and 2.58% for Series E. The Fed's interest rate hikes clearly are having a material impact on the Fund's borrowing costs. The Fed raised the

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short-term interest rate target 200 basis points during the 12-month period (and 25 basis points more on November 1). Still, the tax-exempt yield curve remained relatively steep and continued to generate an income benefit to the holders of Common Stock from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 35.37% of total net assets, before the deduction of Preferred Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We continue to favor maturities in the 25-year range. The Fund ended the period close to neutral in terms of interest rate exposure. The Fed, having already raised interest rates 12 times since June 2004, has come a long way in its measured monetary tightening campaign. In recognition of this and the higher rates all along the curve, we believe a more neutral duration is the appropriate course. Having said that, we stand ready to adjust our strategy as market dynamics dictate. At period-end, the Fund remained fully invested, reflecting our efforts to generate the greatest level of tax-exempt income for our shareholders.

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A Discussion With Your Funds' Portfolio Managers (concluded)

MuniYield Quality Fund II, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2005, the Common Stock of MuniYield Quality Fund II, Inc. had net annualized yields of 6.35% and 6.60%, based on a year-end per share net asset value of \$13.36 and a per share market price of \$12.86, respectively, and \$.849 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +3.98%, based on a change in per share net asset value from \$13.72 to \$13.36, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, exceeded the +2.93% average return of the Lipper Insured Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.) The first six months of the year brought especially strong performance from a relatively large, uninsured credit in the portfolio. Uninsured bonds performed quite well as credit spreads (versus bonds of higher quality but similar maturity) continued to narrow over the year. We took the opportunity to lock in profits and sold the position.

In the second half of the year, the advance refunding of significant positions in the portfolio benefited performance most. When municipal bonds are advance refunded, or refinanced ahead of their maturity date, their prices generally increase sharply. In addition, our defensive market posture, which detracted from relative performance in the first half of the fiscal year, enhanced results in the second half as long-term interest rates rose. Finally, our ability to generate an above-average yield was additive to performance throughout the 12-month period.

For the six-month period ended October 31, 2005, the total investment return on

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the Fund's Common Stock was +.57%, based on a change in per share net asset value from \$13.71 to \$13.36, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

As in prior periods, we continued to favor bonds in the 25-year maturity range and with premium coupons. More recently, we began to transition away from our defensive market stance, taking advantage of episodes of market weakness (rising yields and falling prices) to move toward a more neutral duration. We made this shift in recognition of the overall higher yields in the market. The long end of the curve, where yields had remained stubbornly low, finally began to inch higher toward period-end.

The yield curve flattening phenomenon continued throughout the year, although it was a much more significant factor in the first half of the fiscal year than in the latter months. From May to October, the municipal yield curve flattened approximately 10 basis points - 15 basis points between the 10-year and 30-year sectors. This compared to 40 basis points in flattening in the first six months. Nevertheless, we continued to pursue higher yields throughout the year by moving further out on the curve and reducing exposure to shorter maturities. In doing so, we carefully considered each bond's acquisition yield to ensure that the sales would not have a material negative impact on the Fund's income stream, as some of these shorter-maturity bonds were acquired in higher interest rate environments. We also maintained the Fund's fully invested position in an effort to preserve the level of income available to shareholders.

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Finally, the Fund increased its use of leverage during the period with the issuance of additional Auction Market Preferred Stock (AMPS). The goal was to bring the Fund's AMPS leverage more in line with that of its peers and to generate additional income for the portfolio. With the proceeds from the sale of the AMPS, we invested in the longer end of the municipal yield curve, consistent with our underlying investment strategy.

For the six-month period ended October 31, 2005, the Fund's AMPS had average yields of 2.60% for Series A, 2.25% for Series B, 2.28% for Series C and 2.53% for Series D. The Fed's interest rate hikes clearly are having a material impact on the Fund's borrowing costs. The Fed raised the short-term interest rate target 200 basis points during the 12-month period (and 25 basis points more on November 1). Still, the tax-exempt yield curve remained relatively steep and continued to generate an income benefit to the holders of Common Stock from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 34.89% of total net assets, before the deduction of Preferred Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

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We continue to favor maturities in the 25-year range. The Fund ended the period close to neutral in terms of interest rate exposure. The Fed, having already raised interest rates 12 times since June 2004, has come a long way in its measured monetary tightening campaign. In recognition of this and the higher rates all along the curve, we believe a more neutral duration is the appropriate course. Having said that, we stand ready to adjust our strategy as market dynamics dictate. At period-end, the Fund remained fully invested, reflecting our efforts to generate the greatest level of tax-exempt income for our shareholders.

Theodore R. Jaeckel Jr., CFA
 Vice President and Portfolio Manager
 MuniYield Fund, Inc.

Michael A. Kalinoski, CFA
 Vice President and Portfolio Manager
 MuniYield Quality Fund, Inc.
 MuniYield Quality Fund II, Inc.

November 16, 2005

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Portfolio Information

Quality Profiles as of October 31, 2005

MuniYield Fund, Inc. by S&P/Moody's Rating	Percent of Total Investments
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AAA/Aaa	36.7%
AA/Aa	12.0
A/A	9.8
BBB/Baa	15.4
BB/Ba	4.8
B/B	2.6
CCC/Caa	1.8
NR (Not Rated)	16.6
Other*	0.3
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MuniYield Quality Fund II, Inc. by S&P/Moody's Rating	Percent of Total Investments
-----	-----
AAA/Aaa	90.2%
AA/Aa	3.4
A/A	5.4
BBB/Baa	0.4
NR (Not Rated)	0.3
Other*	0.3
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* Includes portfolio holdings in short-term investments.

MuniYield Quality Fund, Inc. by S&P/Moody's Rating	Percent of Total Investments
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5,240	5% due 7/01/2023
3,400	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.75% due 7/01/2029
	Maricopa County, Arizona, IDA, M/F Housing Revenue Refunding Bonds (CRS Pine Ridge Housing Corporation), Series A-1 (d)(g):
5,000	6% due 10/20/2031
5,000	6.05% due 10/20/2036
	Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT:
5,800	6.25% due 6/01/2019
6,900	6.30% due 4/01/2023
	Phoenix, Arizona, IDA, M/F Housing Revenue Bonds (Summit Apartments LLC Project) (g):
1,610	6.25% due 7/20/2022
1,425	6.45% due 7/20/2032
1,305	6.55% due 7/20/2037
1,400	Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project II), Series A, 6.75% due 7/01/2031
	Vistancia Community Facilities District, Arizona, GO:
3,000	5.50% due 7/15/2020
2,125	5.75% due 7/15/2024
5,900	Yavapai County, Arizona, IDA, Hospital Facility Revenue Bonds (Yavapai Regional Medical Center), Series A, 6% due 8/01/2033

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Arkansas--0.9%

	University of Arkansas, University Construction Revenue Bonds (UAMS Campus), Series B (e):
2,000	5% due 11/01/2020
1,600	5% due 11/01/2027
1,000	University of Arkansas, University Revenue Refunding Bonds (UAMS Campus), Series A, 5% due 11/01/2014 (e)
1,000	Washington County, Arkansas, Hospital Construction Revenue Refunding Bonds (Regional Medical Center), Series A, 5% due 2/01/2035

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California--13.9%

8,760	California State, GO, 5% due 2/01/2033
	California State Public Works Board, Lease Revenue Bonds: (Department of Corrections), Series C, 5% due 6/01/2025
2,000	
4,500	(Department of Mental Health--Coalinga State Hospital), Series A, 5.125% due 6/01/2029
	California State, Various Purpose, GO:
6,800	5.25% due 11/01/2025
10,000	5% due 4/01/2031 (c)
5,550	5.50% due 11/01/2033
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds:
5,500	Series A-3, 7.875% due 6/01/2042
7,500	Series A-4, 7.80% due 6/01/2042
18,400	Los Angeles, California, Unified School District, GO, Series A, 5% due 7/01/2023 (i)
2,500	Sacramento County, California, Sanitation District Financing Authority, Revenue Refunding Bonds, Series A, 6% due 12/01/2019
5,145	Santa Clara, California, Subordinated Electric Revenue Bonds, Series A, 5% due 7/01/2022 (e)

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7,465 University of California Revenue Bonds (Multiple Purpose Projects), Series Q, 5% due 9/01/2021 (i)

=====
Colorado--4.6%

400 Colorado HFA, Revenue Refunding Bonds (S/F Program),
AMT, Series D-2, 6.90% due 4/01/2029
8,000 Denver, Colorado, City and County Airport Revenue
Bonds, AMT, Series D, 7.75% due 11/15/2013 (c)
5,050 Denver, Colorado, Urban Renewal Authority, Tax
Increment Revenue Bonds (Pavilions), AMT,
7.75% due 9/01/2016
Elk Valley, Colorado, Public Improvement Revenue
Bonds (Public Improvement Fee), Series A:
1,735 7.10% due 9/01/2014
5,065 7.35% due 9/01/2031
6,850 Plaza Metropolitan District No. 1, Colorado, Tax
Allocation Revenue Bonds (Public Improvement Fees),
8% due 12/01/2025
=====

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, we have abbreviated the names of many of the securities according to the list at right.

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

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Schedule of Investments (continued)

MuniYield Fund, Inc. (in Thousands)

Face
Amount Municipal Bonds
=====

Connecticut--0.7%

\$ 5,000 Bridgeport, Connecticut, Senior Living Facilities Revenue
Bonds (3030 Park Retirement Community Project),
7.25% due 4/01/2035
525 Connecticut State Development Authority, IDR (AFCO
Cargo BDL-LLC Project), AMT, 7.35% due 4/01/2010

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=====
 Florida--4.4%

	Hillsborough County, Florida, IDA, Exempt Facilities Revenue Bonds (National Gypsum), AMT:
11,500	Series A, 7.125% due 4/01/2030
5,000	Series B, 7.125% due 4/01/2030
5,450	Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series B, 6.50% due 5/01/2037
1,100	Orange County, Florida, Health Facilities Authority, Health Care Revenue Refunding Bonds (Orlando Lutheran Towers), 5.375% due 7/01/2020
3,000	Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6.25% due 7/01/2028

=====
 Georgia--3.8%

12,140	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.875% due 1/01/2016 (h)
4,600	Atlanta, Georgia, Tax Allocation Bonds (Atlantic Station Project), 7.90% due 12/01/2024
	Brunswick & Glynn County, Georgia, Development Authority, First Mortgage Revenue Bonds (Coastal Community Retirement Corporation Project), Series A:
2,285	7.125% due 1/01/2025
3,595	7.25% due 1/01/2035

=====
 Idaho--1.7%

380	Idaho Housing Agency, S/F Mortgage Revenue Refunding Bonds, AMT, Senior Series C-2, 7.15% due 7/01/2023
10,000	Power County, Idaho, Industrial Development Corporation, Solid Waste Disposal Revenue Bonds (FMC Corporation Project), AMT, 6.45% due 8/01/2032

=====
 Illinois--4.4%

725	Beardstown, Illinois, IDR (Jefferson Smurfit Corp. Project), 8% due 10/01/2016
13,200	Chicago, Illinois, O'Hare International Airport Revenue Bonds, 3rd Lien, AMT, Series B-2, 6% due 1/01/2029 (j)
3,915	Chicago, Illinois, O'Hare International Airport, Special Facility Revenue Refunding Bonds (American Airlines Inc. Project), 8.20% due 12/01/2024
65	Chicago, Illinois, S/F Mortgage Revenue Bonds, AMT, Series B, 7.625% due 9/01/2027 (f) (g) (l)
3,285	Illinois Development Finance Authority Revenue Bonds (Presbyterian Home Lake Project), Series B, 6.30% due 9/01/2022 (i)
1,750	Illinois State Finance Authority Revenue Bonds (Friendship Village of Schaumburg), Series A, 5.625% due 2/15/2037
4,000	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Bonds (McCormick Place Expansion), Series A, 5.50% due 6/15/2023 (e)

=====
 Indiana--0.5%

2,850	Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series A, 5% due 1/01/2029 (h)
-------	---

=====
 Kansas--0.2%

1,250	Lenexa, Kansas, Health Care Facility Revenue
-------	--

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Bonds (Lakeview Village Inc.), Series C,
6.875% due 5/15/2032

=====
Kentucky--0.5%

3,000 Kentucky Economic Development Finance Authority,
Health System Revenue Refunding Bonds (Norton
Healthcare Inc.), Series A, 6.625% due 10/01/2028

=====
Louisiana--4.1%

6,750 Louisiana Public Facilities Authority, Hospital Revenue
Bonds (Franciscan Missionaries of Our Lady Health
System, Inc.), Series A, 5.25% due 8/15/2036
19,000 Port New Orleans, Louisiana, IDR, Refunding (Continental
Grain Company Project), 6.50% due 1/01/2017

=====
Maryland--1.4%

3,000 Maryland State Energy Financing Administration,
Limited Obligation Revenue Bonds (Cogeneration--
AES Warrior Run), AMT, 7.40% due 9/01/2019
4,000 Maryland State Health and Higher Educational Facilities
Authority Revenue Refunding Bonds (University of
Maryland Medical System), 6% due 7/01/2032
500 Maryland State Industrial Development Financing
Authority, Economic Development Revenue Bonds
(Our Lady of Good Counsel School), Series A,
6% due 5/01/2035
1,500 Prince Georges County, Maryland, Special Obligation
Bonds (National Harbor Project), 5.20%
due 7/01/2034

=====
Massachusetts--9.7%

6,640 Massachusetts Bay Transportation Authority, Sales Tax
Revenue Refunding Bonds, Senior Series A,
5% due 7/01/2032
10,000 Massachusetts State, Consolidated Loan, GO, Series C,
5% due 9/01/2022
3,500 Massachusetts State Development Finance Agency,
Human Service Provider Revenue Bonds (Seven Hills
Foundation & Affiliates), 5% due 9/01/2035 (n)
1,700 Massachusetts State Development Finance Agency
Revenue Bonds (WGBH Educational Foundation),
Series A, 5.375% due 1/01/2042 (c)
2,750 Massachusetts State Development Finance Agency,
Revenue Refunding Bonds (Western New England
College), Series A, 5% due 9/01/2033
6,250 Massachusetts State Health and Educational Facilities
Authority, Revenue Bonds (University of Massachusetts
Memorial Healthcare), Series D, 5% due 7/01/2033
19,330 Massachusetts State School Building Authority,
Dedicated Sales Tax Revenue Bonds, Series A,
5% due 8/15/2030 (i)
10,000 Massachusetts State Special Obligation Dedicated Tax
Revenue Bonds, 5.25% due 1/01/2014 (b) (h)

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Schedule of Investments (continued)

MuniYield Fund, Inc. (in Thousands)

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Face Amount	Municipal Bonds
=====	
Michigan--0.9%	
\$ 6,060	Macomb County, Michigan, Hospital Finance Authority, Hospital Revenue Bonds (Mount Clemens General Hospital), Series B, 5.875% due 11/15/2034
=====	
Minnesota--0.9%	
	Eden Prairie, Minnesota, M/F Housing Revenue Bonds (Rolling Hills Project), Series A (g):
420	6% due 8/20/2021
2,000	6.20% due 2/20/2043
960	Minneapolis, Minnesota, M/F Housing Revenue Bonds (Gaar Scott Loft Project), AMT, 5.95% due 5/01/2030
	Minnesota State Municipal Power Agency, Electric Revenue Bonds:
1,000	5% due 10/01/2030
1,500	5% due 10/01/2035
=====	
Missouri--2.0%	
	Fenton, Missouri, Tax Increment Revenue Refunding and Improvement Bonds (Gravois Bluffs):
230	6.75% due 10/01/2015
2,800	7% due 10/01/2021
	Kansas City, Missouri, Municipal Assistance Corporation, Leasehold Improvement Revenue Bonds (H. Roe Bartle Convention Center), Series B-1 (c):
15,000	5.383%** due 4/15/2028
5,000	5.28%** due 4/15/2029
5,000	5.31%** due 4/15/2030
5,000	5.32%** due 4/15/2031
185	Missouri State Housing Development Commission, S/F Mortgage Revenue Bonds, Homeownership, AMT, Series B, 7.55% due 9/01/2027 (f) (g)
=====	
Nebraska--0.3%	
	Lincoln, Nebraska, Sanitation and Sewer Revenue Bonds:
865	4.25% due 6/15/2024
905	4.25% due 6/15/2025
=====	
New Hampshire--0.6%	
3,425	New Hampshire Health and Education Facilities Authority, Revenue Refunding Bonds (Elliot Hospital), Series B, 5.60% due 10/01/2022
=====	
New Jersey--19.0%	
4,500	Garden State Preservation Trust of New Jersey, Open Space and Farmland Preservation Revenue Bonds, Series A, 5.80% due 11/01/2022 (i)
11,435	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2024
	New Jersey EDA, First Mortgage Revenue Bonds, Series A:
710	(Lions Gate Project), 5.75% due 1/01/2025
230	(Lions Gate Project), 5.875% due 1/01/2037
3,000	(The Presbyterian Home), 6.375% due 11/01/2031
20,000	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5% due 7/01/2029 (e)
4,400	New Jersey EDA, Retirement Community Revenue

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		Bonds (Cedar Crest Village Inc. Facility), Series A, 7.25% due 11/15/2031
		New Jersey EDA, School Facilities Construction Revenue Bonds, Series O:
8,825		5.25% due 3/01/2023
1,585		5.25% due 3/01/2026
		New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT:
3,905		6.25% due 9/15/2019
14,830		6.25% due 9/15/2029
3,680		New Jersey Health Care Facilities Financing Authority Revenue Bonds (Pascack Valley Hospital Association), 6.625% due 7/01/2036
1,500		New Jersey Health Care Facilities Financing Authority, Revenue Refunding Bonds (Pascack Valley Hospital Association), 5.125% due 7/01/2028
9,410		New Jersey State Transportation Trust Fund Authority, Transportation System Revenue Bonds, Series D, 5% due 6/15/2020 (i)
4,360		Port Authority of New York and New Jersey, Revenue Refunding Bonds, DRIVERS, AMT, Series 177, 8.977% due 10/15/2032 (e) (m)
20,575		Port Authority of New York and New Jersey, Special Obligation Revenue Bonds, DRIVERS, AMT, Series 192, 8.477% due 12/01/2025 (e) (m)
7,500		Tobacco Settlement Financing Corporation of New Jersey, Asset-Backed Revenue Refunding Bonds, 6% due 6/01/2037
=====		
	New York--17.7%	
2,200		Dutchess County, New York, IDA, Civic Facility Revenue Refunding Bonds (Saint Francis Hospital), Series A, 7.50% due 3/01/2029
5,595		Metropolitan Transportation Authority, New York, Commuter Facilities Revenue Bonds, RITR, Series 9, 9.25% due 7/01/2006 (b) (h) (m)
		New York City, New York, City IDA, Special Facilities Revenue Bonds, AMT:
1,250		(British Airways PLC Project), 7.625% due 12/01/2032
10,000		(Terminal One Group Association Project), 6.125% due 1/01/2024
5,000		New York City, New York, City Municipal Water Finance Authority, Water and Sewer System Revenue Bonds, DRIVERS, Series 198, 8.497% due 6/15/2026 (e) (m)
14,000		New York City, New York, City Municipal Water Finance Authority, Water and Sewer System, Revenue Refunding Bonds, 5.50% due 6/15/2033
10,000		New York City, New York, GO, Refunding, Trust Receipts, Series R, 9.669% due 5/15/2014 (h) (m)
10,000		New York City, New York, GO, Series M, 5% due 4/01/2021
6,500		New York Liberty Development Corporation, Revenue Bonds (Goldman Sachs Headquarters), 5.25% due 10/01/2035
		New York State Dormitory Authority, Revenue Refunding Bonds (Mount Sinai Health), Series A:
5,000		6.75% due 7/01/2020
315		6.50% due 7/01/2025
8,360		New York State Dormitory Authority, Supported Debt Revenue Refunding Bonds (Department of Health), Series A, 5% due 7/01/2023 (k)
2,500		Suffolk County, New York, IDA, IDR, Refunding

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(Nissequogue Cogeneration Partners Facility), AMT,
5.50% due 1/01/2023

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Schedule of Investments (continued)

MuniYield Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
New York (concluded)	
\$ 9,400	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series C-1, 5.50% due 6/01/2021
10,000	Triborough Bridge and Tunnel Authority, New York, Subordinate Revenue Bonds, 5.25% due 11/15/2030
3,450	Westchester County, New York, IDA, Continuing Care Retirement Mortgage Revenue Bonds (Kendal on Hudson Project), Series A: 6.375% due 1/01/2024
2,895	6.50% due 1/01/2034
=====	
North Carolina--1.9%	
2,710	Charlotte, North Carolina, Airport Revenue Bonds, Series A, 5% due 7/01/2029 (e)
4,750	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series D, 6.75% due 1/01/2026
285	North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series 8-A, 6.20% due 7/01/2016
865	North Carolina HFA, S/F Revenue Bonds, Series II, 6.20% due 3/01/2016 (d)
1,000	North Carolina Medical Care Commission, Health Care Facilities, First Mortgage Revenue Bonds (Arbor Acres Community Project), 6.375% due 3/01/2032
2,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (The ARC of North Carolina Projects), Series A, 5.80% due 10/01/2034
=====	
Ohio--3.6%	
1,410	Cuyahoga County, Ohio, Mortgage Revenue Bonds (West Tech Apartments Project), AMT (g): 5.75% due 9/20/2020
2,250	5.85% due 9/20/2030
5,065	Hamilton County, Ohio, Sewer System Improvement Revenue Bonds (The Metropolitan Sewer District of Greater Cincinnati), Series B, 5% due 12/01/2028 (e)
2,175	Lucas County, Ohio, Health Care Facility Revenue Refunding and Improvement Bonds (Sunset Retirement Communities), Series A, 6.625% due 8/15/2030
5,000	Mason, Ohio, City School District, GO (School Improvement), 5% due 12/01/2031 (i)
2,495	Mason, Ohio, Sewer System Revenue Refunding and Improvement Bonds, 5% due 12/01/2028 (e)
970	Port of Greater Cincinnati Development Authority, Ohio, Special Assessment Revenue Bonds

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		(Cooperative Public Parking Infrastructure Project), 6.30% due 2/15/2024
		Toledo-Lucas County, Ohio, Port Authority Revenue Bonds (Saint Mary Woods Project), Series A:
	750	6% due 5/15/2024
	2,250	6% due 5/15/2034
=====		
Oregon--1.5%		
	4,405	Oregon State Department of Administrative Services, COP, Series A, 6% due 5/01/2010 (b)(c)
	3,085	Oregon State, GO, Refunding (Veterans Welfare), Series 80A, 5.70% due 10/01/2032
	1,830	Portland, Oregon, Housing Authority, Housing Revenue Bonds (Pine Square and University Place), Series A, 5.875% due 1/01/2022
=====		
Pennsylvania--6.6%		
	5,000	Lehigh County, Pennsylvania, IDA, PCR, Refunding (Pennsylvania Power and Light Utilities Corporation Project), 4.75% due 2/15/2027 (h)
	5,270	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series A, 6.25% due 11/01/2027
	16,270	Pennsylvania State Higher Educational Facilities Authority, Health Services Revenue Refunding Bonds (Allegheny Delaware Valley Obligation), Series C, 5.875% due 11/15/2016 (e)
		Philadelphia, Pennsylvania, Authority for IDR, Commercial Development:
	1,265	7.75% due 12/01/2017
	3,650	(Days Inn), Refunding, Series B, 6.50% due 10/01/2027
	4,000	(Doubletree), Refunding, Series A, 6.50% due 10/01/2027
	5,000	Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125% due 12/01/2031
=====		
Rhode Island--1.1%		
	4,240	Central Falls, Rhode Island, Detention Facility Corporation, Detention Facility, Revenue Refunding Bonds, 7.25% due 7/15/2035
		Woonsocket, Rhode Island, GO (h):
	1,225	6% due 10/01/2017
	1,195	6% due 10/01/2018
=====		
Tennessee--2.3%		
	4,610	Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75% due 8/01/2017
	10,000	McMinn County, Tennessee, IDB, Solid Waste Revenue Bonds (Recycling Facility--Calhoun Newsprint), AMT, 7.40% due 12/01/2022
=====		
Texas--13.6%		
	5,000	Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds (American Airlines Inc. Project), AMT, 7.50% due 12/01/2029
		Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A:
	5,000	6.70% due 1/01/2028
	5,000	6.70% due 1/01/2032

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Schedule of Investments (continued)

MuniYield Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
	Bexar County, Texas, Housing Finance Corporation, M/F Housing Revenue Bonds (Water at Northern Hills Apartments), Series A (e):
\$ 1,300	5.80% due 8/01/2021
2,460	6% due 8/01/2031
1,000	6.05% due 8/01/2036
6,650	Brazos River Authority, Texas, PCR, Refunding (Utilities Electric Company), AMT, Series B, 5.05% due 6/01/2030
3,755	Brazos River Authority, Texas, Revenue Refunding Bonds (Reliant Energy Inc. Project), Series B, 7.75% due 12/01/2018
	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project) (n):
3,000	6.875% due 10/01/2020
2,000	6.375% due 10/01/2025
5,000	Guadalupe-Blanco River Authority, Texas, Sewage and Solid Waste Disposal Facility Revenue Bonds (E.I. du Pont de Nemours and Company Project), AMT, 6.40% due 4/01/2026
3,900	Gulf Coast, Texas, IDA, Solid Waste Disposal Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 7.50% due 5/01/2025
1,600	Houston, Texas, Industrial Development Corporation Revenue Bonds (Air Cargo), AMT, 6.375% due 1/01/2023
	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT:
4,830	6.375% due 4/01/2027
3,330	6.95% due 4/01/2030
7,030	Matagorda County, Texas, Navigation District Number 1, Revenue Refunding Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/2029
5,200	Nueces River Authority, Texas, Water Supply Facilities, Revenue Refunding Bonds (Corpus Christi Lake Project), 5% due 7/15/2026 (i)
3,900	Port Corpus Christi, Texas, Individual Development Corporation, Environmental Facilities Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 8.25% due 11/01/2031
6,500	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50% due 8/15/2039 (c)
7,020	Tyler, Texas, Waterworks and Sewer Revenue Bonds, 5.70% due 9/01/2010 (b) (h)

Utah--0.3%

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1,545	Utah State Board of Regents, Revenue Refunding Bonds (University of Utah Research Facilities), Series A, 5.50% due 4/01/2010 (b) (e)
=====	
Virginia--2.8%	
	James City County, Virginia, Economic Development Authority, Residential Care Facility, First Mortgage Revenue Refunding Bonds (Williamsburg Landing, Inc.), Series A:
1,500	5.35% due 9/01/2026
2,000	5.50% due 9/01/2034
	Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds:
6,750	Senior-Series A, 5.50% due 8/15/2028
24,800	Senior-Series B, 6.67%** due 8/15/2029
1,000	Winchester, Virginia, IDA, Residential Care Facilities, Revenue Bonds (Westminster-Canterbury), Series A, 5.20% due 1/01/2027
=====	
Washington--0.3%	
	Vancouver, Washington, Housing Authority, Housing Revenue Bonds (Teal Pointe Apartments Project), AMT:
945	6% due 9/01/2022
1,250	6.20% due 9/01/2032
=====	
West Virginia--0.1%	
1,000	Princeton, West Virginia, Hospital Revenue Refunding Bonds (Community Hospital Association Inc. Project), 6% due 5/01/2019
=====	
Wisconsin--0.7%	
700	Milwaukee, Wisconsin, Revenue Bonds (Air Cargo), AMT, 6.50% due 1/01/2025
	Wisconsin Health and Educational Facilities Authority, Revenue Refunding Bonds (Eastcastle Place Inc. Project):
1,000	6% due 12/01/2024
1,800	6.125% due 12/01/2034
965	Wisconsin State, GO, AMT, Series B, 6.20% due 11/01/2026 (e)
=====	
Wyoming--0.8%	
2,550	Sweetwater County, Wyoming, Solid Waste Disposal Revenue Bonds (FMC Corporation Project), AMT, Series A, 7% due 6/01/2024
2,500	Wyoming Student Loan Corporation, Student Loan Revenue Refunding Bonds, Series A, 6.20% due 6/01/2024
=====	
Puerto Rico--8.0%	
15,000	Puerto Rico Commonwealth Highway and Transportation Authority, Transportation Revenue Bonds, Trust Receipts, Class R, Series B, 8.70% due 7/01/2035 (e) (m)
	Puerto Rico Commonwealth Highway and Transportation Authority, Transportation Revenue Refunding Bonds:
16,360	Series D, 5.75% due 7/01/2012 (b)
7,500	Series K, 5% due 7/01/2040
2,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Trust Receipts, Class R, Series 16 HH, 8.451% due 7/01/2013 (i) (m)

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Schedule of Investments (concluded)

MuniYield Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
Puerto Rico (concluded)	
\$ 4,350	Puerto Rico Public Finance Corporation Revenue Bonds, DRIVERS, Series 272, 9.293% due 8/01/2030 (m)
=====	
U.S. Virgin Islands--1.1%	
6,250	Virgin Islands Public Finance Authority, Refinery Facilities Revenue Bonds (Hovensa Refinery), AMT, 6.125% due 7/01/2022

	Total Municipal Bonds (Cost--\$908,980)--147.8%

Shares Held	Short-Term Securities
=====	
2,500	Merrill Lynch Institutional Tax-Exempt Fund (a)

	Total Short-Term Securities (Cost--\$2,500)--0.4%
=====	
Total Investments (Cost--\$911,480*)--148.2%	
Other Assets Less Liabilities--5.0%	
Preferred Stock, at Redemption Value--(53.2%)	
Net Assets Applicable to Common Stock--100.0%	

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

Aggregate cost	\$ 910,901
	=====
Gross unrealized appreciation	\$ 51,331
Gross unrealized depreciation	(6,354)

Net unrealized appreciation	\$ 44,977
	=====

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

(a) 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:

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Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(6,913)	\$116

- (b) Prerefunded.
- (c) AMBAC Insured.
- (d) FHA Insured.
- (e) MBIA Insured.
- (f) FNMA Collateralized.
- (g) GNMA Collateralized.
- (h) FGIC Insured.
- (i) FSA Insured.
- (j) XL Capital Insured.
- (k) CIFG Insured.
- (l) FHLMC Collateralized.
- (m) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (n) Radian Insured.

See Notes to Financial Statements.

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Schedule of Investments MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
Alaska--0.5%	
\$ 2,100	Alaska State International Airports Revenue Bonds, Series B, 5.75% due 10/01/2019 (a)
Arizona--0.6%	
2,345	Maricopa County, Arizona, Public Finance Corporation, Lease Revenue Bonds, RIB, Series 511X, 8.04% due 7/01/2014 (a) (i)
California--22.6%	
1,250	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 4.738%** due 10/01/2023 (a)
4,150	Alameda Corridor Transportation Authority, California, Revenue Refunding Bonds, Subordinated Lien, Series A, 5.525%** due 10/01/2025 (a)
1,400	California State Department of Water Resources, Power Supply Revenue Bonds, Series A: 5.375% due 5/01/2021
1,000	5.375% due 5/01/2022 (g)
5,700	California State, GO, Refunding: 5.25% due 9/01/2026
6,000	5.25% due 2/01/2030 (b)
7,700	5.25% due 2/01/2030 (g)
2,850	ROLS, Series II-R-272, 7.656% due 2/01/2033 (i) (j)

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	California State, Various Purpose, GO:
3,300	5.50% due 4/01/2028
2,500	5.25% due 11/01/2029
3,200	5.50% due 11/01/2033
3,525	Gilroy, California, Unified School District, GO, 5% due 8/01/2027 (d)
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds:
5,000	RIB, Series RR II R 285X, 8.173% due 6/01/2043 (b) (i)
7,080	RIB, Series RR II R 287X, 8.426% due 6/01/2038 (i) (k)
4,600	Series B, 5.50% due 6/01/2013 (b) (h)
1,870	Series B, 5.625% due 6/01/2013 (b) (h)
7,300	Los Angeles, California, Unified School District, GO, Series A, 5% due 1/01/2028 (g)
2,000	Mount Diablo, California, Unified School District, GO (Election of 2002), 5% due 7/01/2027 (d)
2,000	Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a)
1,335	San Diego, California, Community College District, GO (Election of 2002), 5% due 5/01/2030 (f)
9,000	San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5% due 5/01/2032 (g)
10,000	San Francisco, California, City and County, COP (San Bruno Jail No. 3), 5.25% due 10/01/2033 (a)
1,400	Santa Monica, California, Community College District, GO (Election of 2002), Refunding, Series C, 5% due 8/01/2029 (g)
1,950	Tamalpais, California, Union High School District, GO (Election of 2001), 5% due 8/01/2028 (f)
1,700	University of California, Limited Project Revenue Bonds, Series B, 5% due 5/15/2033 (f)

=====
Colorado--4.1%

	Colorado Health Facilities Authority Revenue Bonds, Series A:
1,650	(Catholic Health Initiatives), 5.50% due 3/01/2032 (c)
1,600	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2027 (j)
1,000	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2033 (j)
	Colorado Housing and Finance Authority Revenue Refunding Bonds, AMT:
1,385	(S/F Program), Series B-2, 6.80% due 2/01/2031 (g)
1,095	Series C-2, 7.25% due 10/01/2031 (a)
9,000	E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Refunding Bonds, Series B, 5.485%** due 9/01/2029 (g)
11,125	Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Revenue Bonds, Senior Convertible, Series C, 5.345%** due 6/15/2025 (f)

=====
District of Columbia--0.6%

2,500	District of Columbia Revenue Refunding Bonds (Catholic University of America Project), 5.625% due 10/01/2029 (a)
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=====
Florida--1.7%

2,240	Beacon Tradeport Community Development District,
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		Florida, Special Assessment Revenue Refunding Bonds (Commercial Project), Series A, 5.625% due 5/01/2032 (j)
5,200		Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B, 5.125% due 1/01/2032 (d)
=====		
Georgia--4.2%		
6,000		Atlanta, Georgia, Development Authority, Student Housing Revenue Bonds (Georgia State University), 5% due 9/01/2035 (b)
3,220		Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2039 (f)
4,000		Fulton County, Georgia, Water and Sewer Revenue Bonds, 5% due 1/01/2035 (d)
4,785		Monroe County, Georgia, Development Authority, PCR, Refunding (Oglethorpe Power Corporation--Scherer), Series A, 6.80% due 1/01/2011
=====		
Hawaii--0.5%		
2,000		Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (f)
=====		
Illinois--24.4%		
5,000		Chicago, Illinois, Board of Education, GO, RIB, Series 467, 8.54% due 12/01/2027 (a) (i)
		Chicago, Illinois, Capital Appreciation, GO, Project and Refunding, Series A (g):
1,000		5.376%** due 1/01/2029
1,000		5.387%** due 1/01/2030
		Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) (g):
5,000		5.125% due 1/01/2028
2,500		5.372%** due 1/01/2029
		Chicago, Illinois, O'Hare International Airport Revenue Bonds, 3rd Lien, AMT, Series B-2:
3,400		5.75% due 1/01/2023 (f)
4,000		5.75% due 1/01/2024 (f)
3,300		6% due 1/01/2029 (b)

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Schedule of Investments (continued)

MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
	Illinois (concluded)
	Chicago, Illinois, O'Hare International Airport Revenue Refunding Bonds, AMT:
\$ 2,665	3rd Lien, Series A-2, 5.75% due 1/01/2021 (f)
6,835	DRIVERS, Series 250, 8.455% due 1/01/2021 (g) (i)
2,500	DRIVERS, Series 844Z, 7.957% due 7/01/2010 (g) (i)
6,250	RIB, Series 994X, 7.74% due 1/01/2032 (g) (i)
6,200	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2026 (a)
2,130	Illinois Development Finance Authority Revenue Bonds

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		(Presbyterian Home Lake Project), Series B, 6.25% due 9/01/2017 (f)
		Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds (a):
28,525		5.21%** due 6/15/2030
5,500		5% due 6/15/2032
10,000		Illinois State, GO, First Series, 5.50% due 8/01/2018 (f)
3,750		Illinois Student Assistance Commission, Student Loan Revenue Refunding Bonds, AMT, Sub-Series CC, 6.875% due 3/01/2015
		Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project):
7,000		5.50% due 12/15/2024 (d)
3,500		Series B, 5.75% due 6/15/2023 (g)
=====		
Indiana--4.8%		
7,500		Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A, 5.25% due 6/01/2029 (d)
2,000		Indianapolis, Indiana, Local Public Improvement Bond Bank Revenue Bonds (Waterworks Project), Series A, 5.25% due 7/01/2033 (g)
		Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Refunding Bonds (Indianapolis Airport Authority Project), AMT, Series B (g):
6,470		5.25% due 1/01/2028
5,055		5.25% due 1/01/2030
=====		
Louisiana--5.4%		
8,500		Louisiana Local Government, Environmental Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a)
4,675		Louisiana State Transportation Authority, Senior Lien Toll Revenue Capital Appreciation Bonds, Series B, 5.31%** due 12/01/2027 (a)
		New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Special Tax, Sub-Series A (a):
6,800		5.25% due 7/15/2028
5,000		5% due 7/15/2033
1,900		Terrebonne Parish, Louisiana, Hospital Service District Number 1, Hospital Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2033 (a)
=====		
Massachusetts--13.4%		
		Massachusetts Bay, Massachusetts, Transportation Authority, General Transportation System Revenue Refunding Bonds, Series A (g):
3,730		7% due 3/01/2011
3,550		7% due 3/01/2014
		Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A:
1,800		5% due 7/01/2032
2,000		5% due 7/01/2035
3,400		Massachusetts State, Consolidated Loan, GO, Series C, 5% due 9/01/2025
5,000		Massachusetts State HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.60% due 1/01/2045 (f)
1,915		Massachusetts State Port Authority, Special Facilities Revenue Bonds, DRIVERS, AMT, Series 501,

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		7.947% due 7/01/2009 (a) (i)
33,430		Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f)
2,400		Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25% due 1/01/2014 (d) (h)
800		Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125% due 8/01/2027 (g)
=====		
Michigan--3.5%		
1,750		Detroit, Michigan, Water Supply System Revenue Bonds, Series B, 5% due 7/01/2034 (g)
3,040		Michigan Higher Education Student Loan Authority, Student Loan Revenue Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)
		Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Project), AMT (b):
1,700		Series A, 5.50% due 6/01/2030
3,300		Series C, 5.65% due 9/01/2029
5,800		Series C, 5.45% due 12/15/2032
=====		
Minnesota--0.4%		
2,000		Minnesota State Municipal Power Agency, Electric Revenue Bonds, 5% due 10/01/2035
=====		
Nebraska--0.5%		
2,300		Washington County, Nebraska, Wastewater Facilities Revenue Bonds (Cargill Inc. Project), AMT, 5.90% due 11/01/2027
=====		
Nevada--3.7%		
4,100		Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50% due 9/01/2033 (j)
		Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (d):
2,000		5% due 7/01/2030
4,100		5% due 7/01/2036
5,710		Washoe County, Nevada, School District, GO, 5.875% due 12/01/2009 (f) (h)
=====		
New Hampshire--3.5%		
10,000		New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (f)
5,000		New Hampshire State Business Finance Authority, PCR, Refunding (Public Service Company), AMT, Series D, 6% due 5/01/2021 (g)
=====		
New Jersey--5.4%		
		New Jersey EDA, Cigarette Tax Revenue Bonds:
910		5.75% due 6/15/2029
1,385		5.50% due 6/15/2031
2,750		New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25% due 7/01/2031 (g)

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Schedule of Investments (continued)

MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
New Jersey (concluded)	
\$ 3,575	New Jersey EDA, Revenue Bonds, ROLS (e) (i):
3,000	Series II-R-309-1, 8.173% due 6/15/2024
	Series II-R-309-2, 8.173% due 6/15/2031
	New Jersey EDA, School Facilities Construction
	Revenue Bonds, Series O:
3,860	5.125% due 3/01/2028
7,500	5.125% due 3/01/2030
=====	
New York--8.9%	
	New York City, New York, GO:
6,920	RIB, Series 394, 8.754% due 8/01/2016 (g) (i)
9,325	Refunding, Series G, 5.75% due 2/01/2017 (f)
2,410	Series B, 5.875% due 8/15/2006 (b) (h)
2,590	Series B, 5.875% due 8/15/2013 (b)
1,255	Series F, 5.75% due 2/01/2019 (b)
8,000	New York State Thruway Authority, General Revenue
	Refunding Bonds, Series G, 5% due 1/01/2032 (f)
7,320	Tobacco Settlement Financing Corporation of New York
	Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a)
=====	
Ohio--1.1%	
2,500	Columbus, Ohio, City School District, GO (School
	Facilities Construction and Improvements),
	5.25% due 12/01/2027 (f)
2,000	Jackson, Ohio, Hospital Facilities Revenue Bonds
	(Consolidated Health System--Jackson Hospital),
	6.125% due 10/01/2009 (h) (j)
=====	
Oklahoma--0.8%	
	Tulsa, Oklahoma, Airports Improvement Trust, General
	Revenue Bonds (Tulsa International Airport), AMT (d):
1,250	Series A, 6% due 6/01/2020
1,000	Series B, 6% due 6/01/2019
1,000	Series B, 6.125% due 6/01/2026
=====	
Oregon--2.0%	
7,500	Portland, Oregon, Sewer System Revenue Bonds, RIB,
	Series 386, 8.49% due 8/01/2020 (d) (i)
=====	
Pennsylvania--7.6%	
	Pennsylvania State Public School Building Authority,
	School Lease Revenue Bonds (The School District of
	Philadelphia Project) (f):
6,000	5.25% due 6/01/2025
2,440	5% due 6/01/2029
11,750	5% due 6/01/2033
6,250	Philadelphia, Pennsylvania, Authority for Industrial
	Development, Lease Revenue Bonds, Series B,
	5.50% due 10/01/2021 (f)
6,170	Philadelphia, Pennsylvania, School District, GO,
	Series B, 5.625% due 8/01/2012 (d) (h)

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=====		
Rhode Island--0.6%		
2,500	Providence, Rhode Island, GO, Series A,	5.70% due 7/15/2007 (f) (h)
=====		
South Carolina--1.4%		
20,000	Piedmont Municipal Power Agency, South Carolina,	Electric Revenue Refunding Bonds, Sub-Series A-2,
		4.915%** due 1/01/2028 (a)
=====		
Tennessee--5.8%		
15,000	Chattanooga, Tennessee, IDB, Lease Rent Revenue	Bonds (Southside Redevelopment Corporation),
		5.875% due 10/01/2024 (a)
5,000	Memphis-Shelby County, Tennessee, Airport Authority,	Airport Revenue Bonds, AMT, Series D, 6.25%
		due 3/01/2018 (a)
	Tennessee HDA, Homeownership Revenue Bonds,	AMT, Series 2-C (a):
2,075		6.10% due 7/01/2013
2,390		6.20% due 7/01/2015
=====		
Texas--13.3%		
2,000	Austin, Texas, Convention Center Revenue Bonds	(Convention Enterprises Inc.), Trust Certificates,
		Second Tier, Series B, 6% due 1/01/2023
1,000	Bell County, Texas, Health Facilities Development	Revenue Bonds (Lutheran General Health Care
		System), 6.50% due 7/01/2019 (c)
	Dallas-Fort Worth, Texas, International Airport Revenue	Refunding and Improvement Bonds, AMT, Series A (d):
1,835		5.875% due 11/01/2017
2,145		5.875% due 11/01/2018
2,385		5.875% due 11/01/2019
5,235	Denton, Texas, Utility System Revenue Bonds, RIB,	Series 369, 8.99% due 12/01/2017 (f) (i)
	Gregg County, Texas, Health Facilities Development	Corporation, Hospital Revenue Bonds (Good
		Shepherd Medical Center Project) (j):
6,000		6.875% due 10/01/2020
2,600		6.375% due 10/01/2025
4,000	Harris County, Houston, Texas, Sports Authority	Revenue Refunding Bonds, Senior Lien, Series G,
		5.75% due 11/15/2020 (g)
4,000	Harris County, Texas, Toll Road Revenue Refunding	Bonds, Senior Lien, Series A, 5.25% due 8/15/2035 (f)
2,700	Houston, Texas, Airport System Revenue Refunding	Bonds, Sub-Lien, Series B, 5.50% due 7/01/2030 (f)
9,250	Leander, Texas, Independent School District, Capital	Appreciation, GO, Refunding (School Building),
		5.46%** due 8/15/2028 (d)
7,150	North Harris County, Texas, Regional Water	Authority, Senior Lien Revenue Bonds,
		5.125% due 12/15/2035 (g)
7,200	Texas State Turnpike Authority, Central Texas Turnpike	System Revenue Bonds, First Tier, Series A,
		5.75% due 8/15/2038 (a)
4,600	Travis County, Texas, Health Facilities Development	Corporation Revenue Refunding Bonds (Ascension
		Health Credit), Series A, 6.25% due 11/15/2009 (g) (h)
=====		
Utah--3.8%		

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	15,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals Inc.), 6.30% due 2/15/2015 (g)
=====		
Virginia--0.7%	3,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)
=====		
Washington--6.1%	10,000	Energy Northwest, Washington, Electric Revenue Bonds, DRIVERS, Series 242, 8.487% due 7/01/2017 (g) (i)
	2,835	King County, Washington, Sewer Revenue Refunding Bonds, Series B, 5.50% due 1/01/2027 (f)
	2,400	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2034 (a)

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Schedule of Investments (concluded)

MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
Washington (concluded)	
\$ 4,475	Seattle, Washington, Municipal Light and Power Revenue Refunding Bonds, 5% due 11/01/2028 (f)
5,000	Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f)
=====	
Puerto Rico--0.3%	
1,475	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series II, 5.25% due 7/01/2031

	Total Municipal Bonds (Cost--\$665,036)--152.2%

Shares Held	Short-Term Securities
=====	
11,500	Merrill Lynch Institutional Tax-Exempt Fund (1)

	Total Short-Term Securities (Cost--\$11,500)--2.5%
=====	

Total Investments (Cost--\$676,536*)--154.7%

Other Assets Less Liabilities--0.0%

Preferred Stock, at Redemption Value--(54.7%)

Net Assets Applicable to Common Stock--100.0%

Forward interest rate swaps outstanding as of October 31, 2005 were as

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follows:

	Notional Amount	Unrealized Appreciation

Pay a fixed rate of 3.801% and receive a floating rate based on 1-week Bond Market Association Rate		
Broker, JPMorgan Chase Bank		
Expires November 2015	\$60,000	\$ 309
Pay a fixed rate of 3.80% and receive a floating rate based on 1-week Bond Market Association Rate		
Broker, JPMorgan Chase Bank		
Expires January 2016	\$15,000	105

Total		\$ 414 =====

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

Aggregate cost	\$676,475 =====
Gross unrealized appreciation	\$ 33,103
Gross unrealized depreciation	(2,779) -----
Net unrealized appreciation	\$ 30,324 =====

** Represents a zero coupon or step bond; the interest rate shown is the effective yield at the time of purchase.

- (a) AMBAC Insured.
- (b) XL Capital Insured.
- (c) Escrowed to maturity.
- (d) FGIC Insured.
- (e) Assured Guaranty Insured.
- (f) FSA Insured.
- (g) MBIA Insured.
- (h) Prerefunded.
- (i) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (j) Radian Insured.
- (k) CIFG Insured.
- (l) 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	6,530	\$132

See Notes to Financial Statements.

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Schedule of Investments MuniYield Quality Fund II, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
Alaska--0.5%	
\$ 1,400	Alaska State International Airports Revenue Bonds, Series B, 5.75% due 10/01/2019 (a)
=====	
Arizona--1.0%	
2,700	Northern Arizona University System Revenue Bonds, 5.50% due 6/01/2034 (c)
=====	
California--27.9%	
8,150	Alameda Corridor Transportation Authority, California, Revenue Refunding Bonds, Subordinated Lien, Series A, 5.319%* due 10/01/2025 (a)
2,500	California Health Facilities Financing Authority Revenue Bonds (Kaiser Permanente), RIB, Series 26, 8% due 6/01/2022 (f) (l)
2,490	California State Department of Water Resources, Power Supply Revenue Bonds, Series A, 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, 7.656% due 2/01/2033 (k) (l)
2,750	California State, Various Purpose, GO: 5.25% due 11/01/2029
6,500	5.50% due 11/01/2033
15,000	East Side Union High School District, California, Santa Clara County, Capital Appreciation, GO (Election of 2002), Series E, 5.15%* due 8/01/2029 (h)
2,770	Fairfield-Suisun, California, Unified School District, GO (Election of 2002), 5.50% due 8/01/2028 (i)
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series B (j):
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)
2,815	John Swett Unified School District, California, GO, Series A, 5.50% due 8/01/2026 (f)
4,900	Los Angeles, California, Unified School District, GO, Series A, 5% 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 (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a)
6,000	Sacramento, California, Municipal Utility District, Electric

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1,000	Revenue Bonds, Series N, 5% due 8/15/2028 (i) San Diego, California, Community College District, GO (Election of 2002), 5% due 5/01/2030 (f)
950	Santa Monica, California, Community College District, GO (Election of 2002), Refunding, Series C, 5% due 8/01/2029 (i)
1,325	Tamalpais, California, Union High School District, GO (Election of 2001), 5% due 8/01/2028 (f)
1,000	University of California, Limited Project Revenue Bonds, Series B, 5% due 5/15/2033 (f)

=====
Colorado--5.9%

	Colorado Health Facilities Authority Revenue Bonds, Series A:
1,150	(Catholic Health Initiatives), 5.50% due 3/01/2032 (n)
1,200	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2027 (k)
675	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2033 (k)
1,610	Colorado Housing and Finance Authority Revenue Refunding Bonds (S/F Program), AMT, Series B-2, 6.80% due 2/01/2031 (i)
7,500	E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Refunding Bonds, Series B, 5.607%* due 9/01/2032 (i)
10,975	Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Revenue Bonds, Senior Convertible, Series C, 5.327%* due 6/15/2025 (f)
1,735	Northwest Parkway, Colorado, Public Highway Authority Revenue Bonds, Series A, 5.50% due 6/15/2021 (a)

=====
Connecticut--3.8%

1,100	Connecticut State Regional Learning Educational Service Center Revenue Bonds (Office/Education Center Facility), 7.75% due 2/01/2006 (j)
9,325	Connecticut State Resource Recovery Authority Revenue Refunding Bonds, DRIVERS, Series 187, 7.996% due 11/15/2011 (i) (l)

=====
Florida--1.9%

	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A (i):
4,575	5.21%* due 10/01/2034
4,495	5.22%* due 10/01/2035
3,575	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B, 5.125% due 1/01/2032 (c)

=====
Georgia--5.8%

5,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series B, 5.25% due 1/01/2033 (f)
5,000	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.875% due 1/01/2017 (c)
4,125	Atlanta, Georgia, Development Authority, Student Housing Revenue Bonds (Georgia State University), 5% due 9/01/2035 (h)
2,170	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2039 (f)

=====
Illinois--18.4%

	Chicago, Illinois, O'Hare International Airport Revenue Bonds, 3rd Lien, AMT, Series B-2:
--	--

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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 Refunding Bonds, DRIVERS, AMT, Series 844Z, 7.957% due 7/01/2010 (i) (1)
2,830	Chicago, Illinois, Park District, GO, Refunding, Series C, 5.50% due 1/01/2021 (c)
3,000	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2026 (a)

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Schedule of Investments (continued)

MuniYield Quality Fund II, Inc. (in Thousands)

Face Amount	Municipal Bonds
=====	
Illinois (concluded)	
\$10,000	Illinois Regional Transportation Authority Revenue Bonds, 6.50% due 7/01/2026 (i)
21,675	Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5.264%* due 6/15/2030 (a)
3,625	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax, Revenue Refunding Bonds, DRIVERS, Series 269, 8.477% due 6/15/2023 (i) (1)
=====	
Indiana--3.6%	
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A (c):
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 Revenue Bonds (Waterworks Project), Series A, 5.25% due 7/01/2033 (i)
=====	
Kansas--0.7%	
2,025	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue Refunding Bonds, AMT, Series A-2, 6.45% due 12/01/2033 (e) (i)
=====	
Louisiana--4.7%	
2,445	Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortgage 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 Acquisition), Series A, 6.30% due 7/01/2030 (a)
3,185	Louisiana State Transportation Authority, Senior Lien Toll Revenue Capital Appreciation Bonds, Series B, 5.31%* due 12/01/2027 (a)
4,650	New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Special Tax, Sub-Series A, 5.25% due 7/15/2028 (a)
1,300	Terrebonne Parish, Louisiana, Hospital Service District

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Number 1, Hospital Revenue Bonds (Terrebonne
General Medical Center Project), 5.50%
due 4/01/2033 (a)

=====
Massachusetts--13.0%

	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A:
1,265	5% due 7/01/2032
1,375	5% due 7/01/2035
5,000	Massachusetts Bay Transportation Authority, Special Assessment Revenue Refunding Bonds, Series A, 5% due 7/01/2031
2,100	Massachusetts State, Consolidated Loan, GO, Series C, 5% due 9/01/2025
10,000	Massachusetts State HFA, Housing Revenue Bonds, DRIVERS, AMT, Series 982, 7.478% due 1/01/2011 (f)(l)
2,785	Massachusetts State Port Authority, Special Facilities Revenue Bonds, DRIVERS, AMT, Series 501, 7.947% due 7/01/2009 (a)(l)
12,450	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f)
1,800	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25% due 1/01/2014 (c)(j)
550	Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125% due 8/01/2027 (i)

=====
Michigan--8.3%

	Detroit, Michigan, Water Supply System Revenue Bonds, Series B (i):
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 Revenue 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), 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, DRIVERS, AMT, Series 986, 7.459% due 6/01/2013 (i)(l)

=====
Minnesota--0.2%

500	Minnesota State Municipal Power Agency, Electric Revenue Bonds, 5% due 10/01/2035
-----	--

=====
Missouri--2.0%

	Saint Louis County, Missouri, Pattonville R-3 School District, GO (Missouri Direct Deposit Program) (c)(j):
4,000	5.75% due 3/01/2010
1,500	6% due 3/01/2010

=====
Nevada--2.4%

2,800	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50% due 9/01/2033 (k)
-------	--

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		Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (c):
	1,500	5% due 7/01/2030
	2,700	5% due 7/01/2036
=====		
New Jersey--6.8%		
	3,000	Garden State Preservation Trust of New Jersey, Open Space and Farmland Preservation Revenue Bonds, Series A, 5.80% due 11/01/2021 (f)
		New Jersey EDA, Cigarette Tax Revenue Bonds:
	1,070	5.75% due 6/15/2029
	500	5.50% due 6/15/2031
		New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A (i):
	2,400	5% due 7/01/2029
	4,800	5.25% due 7/01/2033
		New Jersey EDA, Revenue Bonds, ROLS (g) (l) (m):
	2,300	Series II-R-309-1, 8.173% due 6/15/2024
	2,000	Series II-R-309-2, 8.173% due 6/15/2031
	2,600	New Jersey EDA, School Facilities Construction Revenue Bonds, Series O, 5.125% due 3/01/2028
=====		
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)
=====		
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Schedule of Investments (continued)		
MuniYield Quality Fund II, Inc. (in Thousands)		
	Face Amount	Municipal Bonds
=====		
New York--8.8%		
	\$ 9,280	Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75% due 8/01/2009 (f) (j)
	2,720	New York City, New York, GO, Series D, 5.875% due 6/01/2021 (i)
	5,000	New York State Dormitory Authority Revenue Refunding Bonds (State University Educational Facilities), 5.75% due 5/15/2010 (c) (j)
	7,115	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a)
=====		
Ohio--2.3%		
		Plain, Ohio, Local School District, GO, Refunding (c):
	5,120	6% due 6/01/2011 (j)
	1,170	6% due 12/01/2020
=====		
Pennsylvania--6.0%		
	3,335	Delaware River Port Authority of Pennsylvania and New Jersey Revenue Bonds, RIB, Series 396, 9.003% due 1/01/2019 (f) (l)

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5,500	Pennsylvania State Public School Building Authority, School Lease Revenue Bonds (The School District of Philadelphia Project), 5% due 6/01/2033 (f)
3,230	Philadelphia, Pennsylvania, Authority for Industrial Development, Lease Revenue Bonds, Series B, 5.50% due 10/01/2020 (f)
4,500	Philadelphia, Pennsylvania, School District, GO, Series B, 5.625% due 8/01/2012 (c) (j)
=====	
Rhode Island--1.5%	
4,010	Rhode Island State Health and Educational Building Corporation, Higher Education Facilities Revenue Bonds (University of Rhode Island), Series A, 5.70% due 9/15/2009 (i) (j)
=====	
Tennessee--2.7%	
7,365	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Redevelopment Corporation), 5.875% due 10/01/2024 (a)
=====	
Texas--11.7%	
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, DRIVERS, AMT, Series 202, 8.956% due 11/01/2028 (c) (l)
1,190	Dickinson, Texas, Independent School District, GO, Refunding, 6% due 2/15/2010 (i) (j)
4,000	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2020 (k)
1,900	Houston, Texas, Airport System Revenue Refunding Bonds, Sub-Lien, Series B, 5.50% due 7/01/2030 (f)
9,345	Leander, Texas, Independent School District, Capital Appreciation, GO, Refunding (School Building), 5.51%* due 8/15/2030 (c)
3,500	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT, 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 (i)
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A (a):
4,800	5.75% due 8/15/2038
3,600	5.50% due 8/15/2039
=====	
Virginia--0.8%	
2,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)
=====	
Washington--7.4%	
2,150	King County, Washington, Sewer Revenue Refunding Bonds, Series B, 5.50% due 1/01/2027 (f)
7,470	Port of Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due 2/01/2016 (i)
1,600	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2034 (a)
6,150	Seattle, Washington, Municipal Light and Power Revenue Bonds, 6% due 10/01/2009 (i) (j)
3,100	Seattle, Washington, Municipal Light and Power Revenue Refunding Bonds, 5% due 11/01/2028 (f)

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=====

Puerto Rico--0.9%

2,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series NN, 5.125% due 7/01/2024
-------	---

Total Municipal Bonds (Cost--\$434,246)--151.3%

=====

Shares Held	Short-Term Securities
----------------	-----------------------

=====

1,400	Merrill Lynch Institutional Tax-Exempt Fund (o)
-------	---

Total Short-Term Securities (Cost--\$1,400)--0.5%

=====

Total Investments (Cost--\$435,646**)--151.8%

Other Assets Less Liabilities--1.8%

Preferred Stock, at Redemption Value--(53.6%)

Net Assets Applicable to Common Stock--100.0%

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Schedule of Investments (concluded)

MuniYield Quality Fund II, Inc. (in Thousands)

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

	Notional Amount	Unrealized Appreciation

Pay a fixed rate of 3.801% and receive a floating rate based on 1-week Bond Market Association Rate		
Broker, JPMorgan Chase Bank		
Expires November 2015	\$30,000	\$154
Pay a fixed rate of 3.80% and receive a floating rate based on 1-week Bond Market Association Rate		
Broker, JPMorgan Chase Bank		
Expires January 2016	\$15,000	105

Total		\$259
		=====

* Represents a zero coupon or step bond; the interest rate shown is the effective yield at the time of purchase.

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

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follows:

Aggregate cost	\$435,646
	=====
Gross unrealized appreciation	\$ 19,557
Gross unrealized depreciation	(1,818)

Net unrealized appreciation	\$ 17,739
	=====

- (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.
- (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:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(1,466)	\$62

See Notes to Financial Statements.

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Statements of Net Assets

As of October 31, 2005	MuniYield Fund, Inc.	
Assets		
Investments in unaffiliated securities, at value* .	\$ 953,377,905	\$
Investments in affiliated securities, at value** ..	2,500,000	
Cash	2,009,591	
Interest receivable	16,328,785	
Receivable for securities sold	27,918,718	
Unrealized appreciation on forward interest rate swaps	--	
Dividends from affiliates	176	

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Prepaid expenses and other assets	24,091	
Total assets	1,002,159,266	
=====		
Liabilities		

Payable for securities purchased	13,256,005	
Payable to investment adviser	393,048	
Payable for offering costs	--	
Dividends payable to Common Stock shareholders	442,522	
Payable to other affiliates	12,953	
Accrued expenses and other liabilities	104,777	
Total liabilities	14,209,305	
=====		
Preferred Stock		

Preferred Stock, at redemption value, par value \$.05 and \$.10 per share*** of AMPS@ at \$25,000 per share liquidation preference	343,125,378	
=====		
Net Assets Applicable to Common Stock		

Net assets applicable to Common Stock	\$ 644,824,583	\$
=====		
Net Assets Consist of		

Undistributed investment income--net	\$ 11,220,564	\$
Accumulated realized capital losses--net	(48,794,036)	
Unrealized appreciation--net	44,398,307	
Total accumulated earnings (losses)--net	6,824,835	
Common Stock, par value \$.10 per share+	4,452,384	
Paid-in capital in excess of par	633,547,364	
Net assets	\$ 644,824,583	\$
=====		
Net asset value per share of Common Stock	\$ 14.48	\$
=====		
Market price	\$ 14.20	\$
=====		
* Identified cost for unaffiliated securities .	\$ 908,979,598	\$
=====		
** Identified cost for affiliated securities ...	\$ 2,500,000	\$
=====		
*** Preferred Stock authorized, issued and outstanding:		
Series A Shares, \$.05 per share	1,800	
Series B Shares, \$.05 per share	1,800	
Series C Shares, \$.05 per share	1,800	
Series D Shares, \$.05 per share	1,800	
Series D Shares, \$.10 per share	--	
Series E Shares, \$.05 per share	2,800	

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Series F Shares, \$.05 per share	1,720
Series G Shares, \$.05 per share	2,000
+ Common Stock issued and outstanding	44,523,842

@ Auction Market Preferred Stock.

See Notes to Financial Statements.

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Statements of Operations

For the Year Ended October 31, 2005	MuniYield Fund, Inc.	
Investment Income		
Interest	\$ 55,672,905	\$
Dividends from affiliates	116,327	
Total income	55,789,232	
Expenses		
Investment advisory fees	4,969,003	
Commission fees	870,811	
Accounting services	284,895	
Transfer agent fees	158,725	
Professional fees	56,671	
Custodian fees	46,947	
Printing and shareholder reports	50,839	
Pricing fees	31,428	
Directors' fees and expenses	36,684	
Listing fees	31,594	
Other	91,241	
Total expenses before reimbursement	6,628,838	
Reimbursement of expenses	(11,515)	
Total expenses after reimbursement	6,617,323	
Investment income--net	49,171,909	
Realized & Unrealized Gain (Loss)--Net		
Realized gain (loss) on:		
Investments--net	18,101,307	
Futures contracts and/or forward interest rate swaps--net	3,288,659	

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Net increase (decrease) in net assets derived from stock transactions	1
=====	
Net Assets Applicable to Common Stock	

Total increase in net assets applicable to Common Stock	8
Beginning of year	636
End of year*	\$ 644
	=====
* Undistributed investment income--net	\$ 11
	=====

See Notes to Financial Statements.

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Statements of Changes in Net Assets MuniYield Quality Fund, Inc.

Increase (Decrease) in Net Assets:	2
=====	
Operations	

Investment income--net	\$ 30
Realized gain--net	6
Change in unrealized appreciation/depreciation--net	(18)
Dividends to Preferred Stock shareholders	(4)
Net increase in net assets resulting from operations	13

Dividends to Common Stock Shareholders	

Investment income--net	(29)
Net decrease in net assets resulting from dividends to Common Stock shareholders	(29)

Stock Transactions	

Offering and underwriting costs resulting from the issuance of Preferred Stock	-----
Net decrease in net assets derived from stock transactions	-----

Net Assets Applicable to Common Stock	

Total increase (decrease) in net assets applicable to Common Stock ..	(15)
Beginning of year	472

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End of year*	\$ 456
	=====
* Undistributed investment income--net	\$ 3
	=====

See Notes to Financial Statements.

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Statements of Changes in Net Assets

MuniYield Quality Fund II, Inc.

Increase (Decrease) in Net Assets:	2
=====	
Operations	

Investment income--net	\$ 19
Realized gain (loss)--net	2
Change in unrealized appreciation/depreciation--net	(8)
Dividends to Preferred Stock shareholders	(3)

Net increase in net assets resulting from operations	11

=====	
Dividends to Common Stock Shareholders	

Investment income--net	(19)

Net decrease in net assets resulting from dividends to Common Stock shareholders	(19)

=====	
Stock Transactions	

Offering and underwriting costs resulting from the issuance of Preferred Stock	

Net decrease in net assets derived from stock transactions	

=====	
Net Assets Applicable to Common Stock	

Total increase (decrease) in net assets applicable to Common Stock ..	(8)
Beginning of year	306

End of year*	\$ 298
	=====
* Undistributed investment income--net	\$ 3
	=====

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Financial Highlights

MuniYield Fund, Inc.

	For the Year		
	October 31		
	2005	2004	2003
The following per share data and ratios have been derived from information provided in the financial statements.			
=====			
Per Share Operating Performance			

Net asset value, beginning of year	\$ 14.31	\$ 13.85	\$ 13.28
Investment income--net	1.11+	1.09+	1.06
Realized and unrealized gain (loss)--net ..	.21	.41	.52
Dividends to Preferred Stock			
shareholders from investment income--net .	(.16)	(.07)	(.07)
Total from investment operations	1.16	1.43	1.51
Less dividends to Common Stock			
shareholders from investment income--net .	(.99)	(.96)	(.94)
Offering and underwriting costs resulting from issuance of Preferred Stock	--++	(.01)	--
Net asset value, end of year	\$ 14.48	\$ 14.31	\$ 13.85
Market price per share, end of year	\$ 14.20	\$ 13.74	\$ 13.29
=====			
Total Investment Return*			

Based on net asset value per share	8.38%	11.04%	11.99
Based on market price per share	10.69%	11.11%	10.80
=====			
Ratios Based on Average Net Assets of Common Stock			

Total expenses, net of reimbursement**	1.02%	.97%	.99
Total expenses**	1.02%	.98%	.99
Total investment income--net**	7.55%	7.75%	7.86
Amount of dividends to Preferred Stock			
shareholders	1.10%	.51%	.50
Investment income--net, to Common Stock			
shareholders	6.45%	7.24%	7.36
=====			
Ratios Based on Average Net Assets of Preferred Stock			

Dividends to Preferred Stock shareholders .	2.09%	1.05%	1.02
=====			

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Financial Highlights (concluded)

MuniYield Fund, Inc.

The following per share data and ratios have been derived from information provided in the financial statements.

Supplemental Data

	For the Year		
	2005	2004	2003
Net assets applicable to Common Stock, end of year (in thousands)	\$644,825	\$636,019	\$615,169
Preferred Stock outstanding, end of year (in thousands)	\$343,000	\$343,000	\$293,000
Portfolio turnover	32.66%	23.62%	61.95%

Leverage

Asset coverage per \$1,000	\$ 2,880	\$ 2,854	\$ 3,100
----------------------------------	----------	----------	----------

Dividends Per Share on Preferred Stock Outstanding

Series A--Investment income--net	\$ 524	\$ 266	\$ 256
Series B--Investment income--net	\$ 549	\$ 268	\$ 274
Series C--Investment income--net	\$ 531	\$ 268	\$ 261
Series D--Investment income--net	\$ 509	\$ 260	\$ 281
Series E--Investment income--net	\$ 522	\$ 244	\$ 236
Series F@--Investment income--net	\$ 494	\$ 253	\$ 247
Series G@@--Investment income--net	\$ 533	\$ 60	-

* Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

+ Based on average shares outstanding.

++ Amount is less than \$(.01) per share.

@ Series F was issued on November 19, 2001.

@@ Series G was issued on August 31, 2004.

See Notes to Financial Statements.

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Financial Highlights

MuniYield Quality Fund, Inc.

	For the Year October 3		
The following per share data and ratios have been derived from information provided in the financial statements.	2005	2004	2003
Per Share Operating Performance			
Net asset value, beginning of year	\$ 15.54	\$ 15.36	\$ 15.19
Investment income--net .....	.99+	1.03+	1.07
Realized and unrealized gain (loss)--net ..	(.39)	.19	.13
Dividends and distributions to Preferred Stock shareholders:			
Investment income--net	(.14)	(.07)	(.07)
Realized gain--net	--	--	--
Total from investment operations .....	.46	1.15	1.13
Less dividends and distributions to Common Stock shareholders:			
Investment income--net	(.96)	(.97)	(.96)
Realized gain--net	--	--	--
Total dividends and distributions to Common Stock shareholders	(.96)	(.97)	(.96)
Offering and underwriting costs resulting from issuance of Preferred Stock	(.02)	--	--
Net asset value, end of year	\$ 15.02	\$ 15.54	\$ 15.36
Market price per share, end of year	\$ 14.27	\$ 14.83	\$ 14.35
Total Investment Return*			
Based on net asset value per share	3.10%	8.26%	8.13
Based on market price per share	2.64%	10.58%	11.68
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of reimbursement** ....	.96%	.94%	.94
Total expenses** .....	.96%	.95%	.95
Total investment income--net**	6.46%	6.74%	6.89
Amount of dividends to Preferred Stock shareholders93%	.45%	.42
Investment income--net, to Common Stock shareholders	5.53%	6.29%	6.47

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=====
 Ratios Based on Average Net Assets of Preferred Stock
 =====

Dividends to Preferred Stock shareholders .	2.12%	1.04%	.99%
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Financial Highlights (concluded) MuniYield Quality Fund, Inc.

			For the Year October 31
The following per share data and ratios have been derived from information provided in the financial statements.	2005	2004	2003

=====
 Supplemental Data
 =====

Net assets applicable to Common Stock, end of year (in thousands)	\$456,886	\$472,848	\$467,370
Preferred Stock outstanding, end of year (in thousands)	\$250,000	\$200,000	\$200,000
Portfolio turnover	35.62%	32.87%	33.92%

=====
 Leverage
 =====

Asset coverage per \$1,000	\$ 2,828	\$ 3,364	\$ 3,337
----------------------------------	----------	----------	----------

=====
 Dividends Per Share on Preferred Stock Outstanding
 =====

Series A--Investment income--net	\$ 540	\$ 271	\$ 273
Series B--Investment income--net	\$ 520	\$ 255	\$ 238
Series C--Investment income--net	\$ 536	\$ 261	\$ 253
Series D--Investment income--net	\$ 514	\$ 251	\$ 228
Series E@--Investment income--net	\$ 72	--	--

* Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

+ Based on average shares outstanding.

++ Amount is less than \$(.01) per share.

@ Series E was issued on September 21, 2005.

See Notes to Financial Statements.

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Financial Highlights

MuniYield Quality Fund II, Inc.

	For the Year October 31		
The following per share data and ratios have been derived from information provided in the financial statements.	2005	2004	2003
Per Share Operating Performance			
Net asset value, beginning of year	\$ 13.72	\$ 13.44	\$ 13.27
Investment income--net .....	.89+	.94+	.97
Realized and unrealized gain (loss)--net ..	(.25)	.27	.09
Dividends to Preferred Stock shareholders from investment income--net	(.14)	(.07)	(.07)
Total from investment operations .....	.50	1.14	.99
Less dividends to Common Stock shareholders from investment income--net .	(.85)	(.86)	(.82)
Offering and underwriting costs resulting from issuance of Preferred Stock	(.01)	--	--
Net asset value, end of year	\$ 13.36	\$ 13.72	\$ 13.44
Market price per share, end of year	\$ 12.86	\$ 12.69	\$ 12.18
Total Investment Return*			
Based on net asset value per share	3.98%	9.32%	8.28
Based on market price per share	8.21%	11.57%	10.83
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of reimbursement**	1.03%	1.01%	1.03
Total expenses**	1.03%	1.02%	1.03
Total investment income--net**	6.51%	7.00%	7.17
Amount of dividends to Preferred Stock shareholders	1.03%	.51%	.50
Investment income--net, to Common Stock shareholders	5.48%	6.49%	6.67
Ratios Based on Average Net Assets of Preferred Stock			
Dividends to Preferred Stock shareholders .	2.08%	1.04%	1.00

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Financial Highlights (concluded)

MuniYield Quality Fund II, Inc.

	For the Year October 31		
The following per share data and ratios have been derived from information provided in the financial statements.	2005	2004	2003
Supplemental Data			
Net assets applicable to Common Stock, end of year (in thousands)	\$298,722	\$306,764	\$300,502
Preferred Stock outstanding, end of year (in thousands)	\$160,000	\$150,000	\$150,000
Portfolio turnover	37.55%	32.30%	42.06%
Leverage			
Asset coverage per \$1,000	\$ 2,867	\$ 3,045	\$ 3,003
Dividends Per Share on Preferred Stock Outstanding			
Series A--Investment income--net	\$ 536	\$ 271	\$ 276
Series B--Investment income--net	\$ 514	\$ 253	\$ 240
Series C--Investment income--net	\$ 510	\$ 252	\$ 235
Series D@--Investment income--net	\$ 71	--	--

* Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

+ Based on average shares outstanding.

++ Amount is less than \$.01 per share.

@ Series D was issued on September 21, 2005.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Significant Accounting Policies:

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MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. (the "Funds" or individually as the "Fund") are registered under the Investment Company Act of 1940, as amended, as non-diversified, closed-end management investment companies. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine and make available for publication the net asset value of their Common Stock on a daily basis. The Funds' Common Stock shares are listed on the New York Stock Exchange under the symbol MYD for MuniYield Fund, Inc., MQY for MuniYield Quality Fund, Inc. and MQT for MuniYield Quality Fund II, Inc. The following is a summary of significant accounting policies followed by the Funds.

(a) Valuation of investments -- Municipal bonds are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Funds under the general direction of the Board of Directors. Such valuations and procedures are reviewed periodically by the Board of Directors of the Funds. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the OTC market, valuation is the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Funds' pricing service. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, under which method the investment is valued at cost and any premium or discount is amortized on a straight line basis to maturity. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Funds.

(b) Derivative financial instruments -- Each Fund may engage in various portfolio investment strategies both to increase the return of each Fund and to hedge, or protect, their exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

o Financial futures contracts -- Each Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

o Options -- Each Fund may purchase and write call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through

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an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

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Notes to Financial Statements (continued)

o Forward interest rate swaps -- Each Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

(c) Income taxes -- It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

(e) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(f) Offering expenses -- Direct expenses relating to the public offering of each Fund's Preferred Stock were charged to capital at the time of issuance of the shares.

(g) Reclassification --

MuniYield Fund, Inc.

U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$161,034 has been reclassified between undistributed net investment income and accumulated net realized capital losses as a result of permanent differences attributable to amortization methods for premiums and discounts on fixed income securities. This reclassification has no effect on net assets or net asset values per share.

MuniYield Quality Fund II, Inc.

U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$82 has been reclassified between accumulated realized capital losses and undistributed net investment income as a result of permanent differences attributable to amortization methods

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for premiums and discounts on fixed income securities. This reclassification has no effect on net assets or net asset values per share.

2. Investment Advisory Agreement and Transactions with Affiliates:

Each Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Funds' portfolios and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Funds. For such services, each Fund pays a monthly fee at an annual rate of .50% of the Fund's average weekly net assets, including proceeds from the issuance of Preferred Stock. The Investment Adviser has agreed to reimburse its management fee by the amount of management fees each Fund pays to FAM indirectly through its investment in Merrill Lynch Institutional Tax-Exempt Fund. For the year ended October 31, 2005, FAM reimbursed each Fund as follows:

	Reimbursement
MuniYield Fund, Inc.	\$11,515
MuniYield Quality Fund, Inc.	\$12,463
MuniYield Quality Fund II, Inc.	\$ 6,003

For the year ended October 31, 2005, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), an affiliate of FAM, received underwriting fees in connection with the issuance of the Funds' Preferred Stock. The underwriting fees were as follows:

	Underwriting Fees
MuniYield Fund, Inc.	--
MuniYield Quality Fund, Inc.	\$500,000
MuniYield Quality Fund II, Inc.	\$100,000

In addition, MLPF&S received \$1,500 in commissions on the execution of portfolio security transactions for MuniYield Quality Fund, Inc. for the year ended October 31, 2005.

For the year ended October 31, 2005, the Funds reimbursed FAM for certain accounting services. The reimbursements were as follows:

	Reimbursement
MuniYield Fund, Inc.	\$25,727
MuniYield Quality Fund, Inc.	\$16,089
MuniYield Quality Fund II, Inc.	\$11,118

Certain officers and/or directors of the Funds are officers and/or directors of FAM, PSI, and/or ML & Co.

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Notes to Financial Statements (continued)

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2005 were as follows:

	MuniYield Fund, Inc.	MuniYield Quality Fund, Inc.	MuniYield Quality Fund II, Inc.
Total Purchases	\$317,345,295	\$283,411,289	\$177,029,721
Total Sales	\$345,908,340	\$236,799,708	\$168,891,081

4. Stock Transactions:

Each Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value \$.10 per share all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of the holders of Common Stock.

Common Stock

MuniYield Fund, Inc.

Shares issued and outstanding during the year ended October 31, 2005 increased by 93,211 as a result of dividend reinvestment. Shares issued and outstanding during the year ended October 31, 2004 remained constant.

MuniYield Quality Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2005 and October 31, 2004 remained constant.

MuniYield Quality Fund II, Inc.

Shares issued and outstanding during the years ended October 31, 2005 and October 31, 2004 remained constant.

Preferred Stock

Auction Market Preferred Stock are redeemable shares of Preferred Stock of the Funds, with a liquidation preference of \$25,000 per share, plus accrued and unpaid dividends that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2005 were as follows:

	MuniYield Fund, Inc.	MuniYield Quality Fund, Inc.	MuniYield Quality Fund II, Inc.
Series A	2.57%	2.67%	2.82%
Series B	2.64%	2.50%	2.72%
Series C	2.60%	2.60%	2.50%
Series D	2.54%	2.70%	2.53%
Series E	2.55%	2.80%	--
Series F	2.55%	--	--
Series G	2.70%	--	--

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MuniYield Fund, Inc.

Shares issued and outstanding during the year ended October 31, 2005 remained constant. Shares issued and outstanding during the year ended October 31, 2004 increased by 2,000 shares from the issuance of an additional series of Preferred Stock.

MuniYield Quality Fund, Inc.

Shares issued and outstanding during the year ended October 31, 2005 increased by 2,000 shares from the issuance of an additional series of Preferred Stock. Shares issued and outstanding during the year ended October 31, 2004 remained constant.

MuniYield Quality Fund II, Inc.

Shares issued and outstanding during the year ended October 31, 2005 increased by 400 shares from the issuance of an additional series of Preferred Stock. Shares issued and outstanding during the year ended October 31, 2004 remained constant.

Each Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the year ended October 31, 2005, MLPF&S earned commissions as follows:

	Commissions
MuniYield Fund, Inc.	\$371,770
MuniYield Quality Fund, Inc.	\$223,965
MuniYield Quality Fund II, Inc.	\$194,462

5. Distributions to Shareholders:

Each Fund paid a tax-exempt income dividend to holders of Common Stock on November 29, 2005 to shareholders of record on November 15, 2005. The amount of the tax-exempt income dividend per share was as follows:

	Per Share Amount
MuniYield Fund, Inc.	\$.083000
MuniYield Quality Fund, Inc.	\$.076000
MuniYield Quality Fund II, Inc.	\$.067000

The tax character of distributions paid during the fiscal years ended October 31, 2005 and October 31, 2004 was as follows:

	10/31/2005	10/31/2004
Distributions paid from:		
Tax-exempt income	\$51,281,196	\$45,938,850
Total distributions	\$51,281,196	\$45,938,850

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Notes to Financial Statements (concluded)

MuniYield Quality Fund, Inc.	10/31/2005	10/31/2004
Distributions paid from:		
Tax-exempt income	\$33,634,936	\$31,648,891
Total distributions	\$33,634,936	\$31,648,891

MuniYield Quality Fund II, Inc.	10/31/2005	10/31/2004
Distributions paid from:		
Tax-exempt income	\$22,248,656	\$20,675,645
Total distributions	\$22,248,656	\$20,675,645

As of October 31, 2005, the components of accumulated earnings/losses on a tax basis were as follows:

MuniYield Fund, Inc.	
Undistributed tax-exempt income--net	\$ 10,515,180
Undistributed ordinary income--net	161,034
Undistributed long-term capital losses--net	--
Total undistributed earnings--net	10,676,214
Capital loss carryforward	(43,211,705)*
Unrealized gains--net	39,360,326**
Total accumulated earnings--net	\$ 6,824,835

* At October 31, 2005, the Fund had a net capital loss carryforward of \$43,211,705, of which \$3,242,729 expires in 2006, \$7,973,446 expires in 2007, \$25,806,020 expires in 2008, \$6,000,235 expires in 2009 and \$189,275 expires in 2010. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on wash sales, the tax deferral of losses on straddles and the difference between book and tax amortization methods for premiums and discounts on fixed income securities.

MuniYield Quality Fund, Inc.	
Undistributed tax-exempt income--net	\$ 3,722,146
Undistributed long-term capital losses--net	--
Total undistributed earnings--net	3,722,146
Capital loss carryforward	(2,453,619)*
Unrealized gains--net	29,354,217**

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Total accumulated earnings--net	\$ 30,622,744
	=====

* At October 31, 2005, the Fund had a net capital loss carryforward of \$2,453,619, of which \$114,477 expires in 2010 and \$2,339,142 expires in 2012. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles and the difference between book and tax amortization methods for premiums and discounts on fixed income securities.

MuniYield Quality Fund II, Inc.

Undistributed tax-exempt income--net	\$ 3,284,530
Undistributed long-term capital losses--net	--

Total undistributed earnings--net	3,284,530
Capital loss carryforward	(35,441,922)*
Unrealized gains--net	17,120,909**

Total accumulated losses--net	\$(15,036,483)
	=====

* At October 31, 2005, the Fund had a net capital loss carryforward of \$35,441,922, of which \$2,730,523 expires in 2007, \$26,079,903 expires in 2008, \$1,096,837 expires in 2010 and \$5,534,659 expires in 2012. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
MuniYield Fund, Inc., MuniYield Quality Fund,
Inc. and MuniYield Quality Fund II, Inc.:

We have audited the accompanying statements of net assets, including the schedules of investments, of MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. (the "Funds") as of October 31, 2005, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, audits of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of

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expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2005, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the respective financial positions of MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. as of October 31, 2005, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Deloitte & Touche LLP
Princeton, New Jersey
December 19, 2005

Fund Certification (unaudited)

In May 2005, MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. filed their Chief Executive Officer Certification for the prior year with the New York Stock Exchange pursuant to Section 303A.12(a) of the New York Stock Exchange Corporate Governance Listing Standards.

The Funds' Chief Executive Officer and Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the Funds' Form N-CSR and are available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

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Automatic Dividend Reinvestment Plan

How the Plan Works -- The Funds offer a Dividend Reinvestment Plan (the "Plan") under which income and capital gains dividends paid by each Fund are automatically reinvested in additional shares of Common Stock of each Fund. The Plan is administered on behalf of the shareholders by The Bank of New York for MuniYield Fund, Inc. and MuniYield Quality Fund II, Inc. and Equiserve Trust Company N.A. for MuniYield Quality Fund, Inc. (individually, the "Plan Agent" or together, the "Plan Agents"). Under the Plan, whenever the Funds declare a dividend, participants in the Plan will receive the equivalent in shares of Common Stock of each Fund. The Plan Agents will acquire the shares for the participant's account either (i) through receipt of additional unissued but authorized shares of each Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market on the New York Stock Exchange or elsewhere. If, on the dividend payment date, each Fund's net asset value per share is equal to or less than the market price per share plus estimated brokerage commissions (a condition often referred to as a "market premium"), the Plan Agents will invest the dividend amount in newly issued shares. If the Funds' net asset value per share is greater than the market price per share (a condition often referred to as a "market discount"), the Plan Agents will invest the dividend amount by purchasing on the open market additional shares. If the Plan Agents are unable to invest the full dividend

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amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agents will invest any uninvested portion in newly issued shares. The shares acquired are credited to each shareholder's account. The amount credited is determined by dividing the dollar amount of the dividend by either (i) when the shares are newly issued, the net asset value per share on the date the shares are issued or (ii) when shares are purchased in the open market, the average purchase price per share.

Participation in the Plan -- Participation in the Plan is automatic, that is, a shareholder is automatically enrolled in the Plan when he or she purchases shares of Common Stock of the Funds unless the shareholder specifically elects not to participate in the Plan. Shareholders who elect not to participate will receive all dividend distributions in cash. Shareholders who do not wish to participate in the Plan, must advise their Plan Agent in writing (at the address set forth below) that they elect not to participate in the Plan. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by writing to the Plan Agent.

Benefits of the Plan -- The Plan provides an easy, convenient way for shareholders to make additional, regular investments in the Funds. The Plan promotes a long-term strategy of investing at a lower cost. All shares acquired pursuant to the Plan receive voting rights. In addition, if the market price plus commissions of each Fund's shares is above the net asset value, participants in the Plan will receive shares of the Funds for less than they could otherwise purchase them and with a cash value greater than the value of any cash distribution they would have received. However, there may not be enough shares available in the market to make distributions in shares at prices below the net asset value. Also, since each Fund does not redeem shares, the price on resale may be more or less than the net asset value.

Plan Fees -- There are no enrollment fees or brokerage fees for participating in the Plan. The Plan Agents' service fees for handling the reinvestment of distributions are paid for by the Funds. However, brokerage commissions may be incurred when the Funds purchase shares on the open market and shareholders will pay a pro rata share of any such commissions.

Tax Implications -- The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Therefore, income and capital gains may still be realized even though shareholders do not receive cash. The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Funds' shares are trading at a market premium, the Funds issue shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of the discount from the market value (which may not exceed 5% of the fair market value of each Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Contact Information -- All correspondence concerning the Plan, including any questions about the Plan, should be directed to the Plan Agent at The Bank of New York, Church Street Station, P.O. Box 11258, New York, NY 10286-1258, Telephone: 800-432-8224 for MuniYield Fund, Inc. and MuniYield Quality Fund II, Inc. and Equiserve Trust Company N.A. (c/o Computershare Investor Services), P.O. Box 43010, Providence, RI 02940-3010, Telephone: 800-426-5523 for MuniYield Quality Fund, Inc.

Disclosure of Investment Advisory Agreement Activities of and Composition of the Board of Directors

All but one member of each Fund's Board of Directors is an independent director whose only affiliation with Fund Asset Management, L.P. (the "Investment Adviser") or other Merrill Lynch affiliates is as a director of each Fund and certain other funds advised by the Investment Adviser or its affiliates. The Co-chairmen of the Boards are also independent directors. New director nominees are chosen as nominees by a Nominating Committee comprised of independent directors. All independent directors also are members of each Board's Audit Committee and the independent directors meet in executive session at each in-person Board meeting. The Board and the Audit Committee meet in person for at least two days each quarter and conduct other in-person and telephone meetings throughout the year, some of which are formal board meetings, and some of which are informational meetings. The independent counsel to the independent directors attends all in-person Board and Audit Committee meetings and other meetings at the independent directors' request.

Investment Advisory Agreements -- Matters Considered by the Board

Every year, each Board considers approval of each Fund's investment advisory agreement (the "Investment Advisory Agreement"). Each Board assesses the nature, scope and quality of the services provided to each Fund by the personnel of the Investment Adviser and its affiliates, including administrative services, shareholder services, oversight of fund accounting, marketing services and assistance in meeting legal and regulatory requirements. Each Board also receives and assesses information regarding the services provided to the Fund by certain unaffiliated service providers.

At various times throughout the year, each Board also considers a range of information in connection with its oversight of the services provided by the Investment Adviser and its affiliates. Among the matters considered are: (a) fees (in addition to management fees) paid to the Investment Adviser and its affiliates by each Fund; (b) Fund operating expenses paid to third parties; (c) the resources devoted to and compliance reports relating to each Fund's investment objective, policies and restrictions, and its compliance with its Code of Ethics and the Investment Adviser's compliance policies and procedures; and (d) the nature, cost and character of non-investment management services provided by the Investment Adviser and its affiliates.

Each Board believes that the Investment Adviser is one of the most experienced global asset management firms and considers the overall services provided by the Investment Adviser to be of high quality. Each Board also believes that the Investment Adviser is financially sound and well managed and notes that the Investment Adviser is affiliated with one of America's largest financial firms. Each Board works closely with the Investment Adviser in overseeing the Investment Adviser's efforts to achieve good performance. As part of this effort, each Board discusses portfolio manager effectiveness and, when performance is not satisfactory, discusses with the Investment Adviser taking steps such as changing investment personnel.

Annual Consideration of Approvals by the Board of Directors

In the period prior to the Board meeting to consider renewal of the Investment Advisory Agreement, each Board requests and receives materials specifically relating to the Fund's Investment Advisory Agreement. These materials are prepared separately with respect to each Fund, and include (a) information

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compiled by Lipper Inc. ("Lipper") on the fees and expenses and the investment performance of the Fund as compared to a comparable group of funds as classified by Lipper; (b) information comparing the Fund's market price with its net asset value per share; (c) a discussion by the Fund's portfolio management team on investment strategies used by the Fund during its most recent fiscal year; and (d) information on the profitability to the Investment Adviser and its affiliates of the Investment Advisory Agreement and other relationships with the Fund. Each Board also considers other matters it deems important to the approval process such as services related to the valuation and pricing of Fund portfolio holdings, allocation of Fund portfolio transaction, the Fund's portfolio turnover statistics, and direct and indirect benefits to the Investment Adviser and its affiliates from their relationship with the Fund.

Certain Specific Renewal Data

In connection with the most recent renewal of each Fund's Investment Advisory Agreement in May 2005, the independent directors' and Board's review included the following:

Services Provided by the Investment Adviser -- Each Board reviewed the nature, extent and quality of services provided by the Investment Adviser, including the investment advisory services and the resulting performance of the Fund. Each Board focused primarily on the Investment Adviser's investment advisory services and the Fund's investment performance. Each Board compared Fund performance -- both including and excluding the effects of the Fund's fees and expenses -- to the performance of a comparable group of

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funds, and the performance of a relevant index or combination of indexes. While each Board reviews performance data at least quarterly, consistent with the Investment Adviser's investment goals, each Board attaches more importance to performance over relatively long periods of time, typically three to five years. The Board noted that the performance of MuniYield Fund, Inc. was superior. It ranked in the first quintile for the one-, three- and five-year periods ended May 31, 2005. The Board noted that the performance of MuniYield Quality Fund, Inc. ranked in the third quintile for the one- and three-year periods, and in the first quintile for the five-year period, ended May 31, 2005. The Board noted that the performance of MuniYield Quality II Fund, Inc. ranked in the first quintile for the one-, three- and five-year periods ended May 31, 2005. Considering these factors, each Board concluded that the Fund's performance supported the continuation of the Investment Advisory Agreement.

The Investment Adviser's Personnel and Investment Process -- Each Board reviews at least annually the Fund's investment objectives and strategies. Each Board discusses with senior management of the Investment Adviser responsible for investment operations and the senior management of the Investment Adviser's municipal investing group the strategies being used to achieve the stated objectives. Among other things, the Board considers the size, education and experience of the Investment Adviser's investment staff, its use of technology, and the Investment Adviser's approach to training and retaining portfolio managers and other research, advisory and management personnel. Each Board also reviews the Investment Adviser's compensation policies and practices with respect to the Fund's portfolio managers. Each Board also considered the experience of the Fund's portfolio manager. The Board of MuniYield Fund, Inc. noted that Mr. Jaeckel has more than fifteen years of experience in portfolio management. The Boards of MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. noted that Mr. Kalinoski has more than five years of experience in portfolio management. The Investment Adviser and its investment staff have extensive experience in analyzing and managing the types of investments used by

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the Funds. Each Board concluded that the Fund benefits from that expertise.

Management Fees and Other Expenses -- Each Board reviews the Fund's contractual management fee rate and actual management fee rate as a percentage of total assets at common asset levels -- the actual rate includes advisory and administrative service fees and the effects of any fee waivers -- compared to the other funds in its Lipper category. It also compares the Fund's total expenses to those of other, comparable funds. In the case of each Fund, the contractual and actual management fee rates, as well as the total expenses, were lower than the median of fees and expenses charged by comparable funds, as determined by Lipper. Each Board has concluded that the Fund's management fee and fee rate and overall expense ratio are reasonable compared to those of other, comparable funds.

Profitability -- Each Board considers the cost of the services provided to the Fund by the Investment Adviser, and the Investment Adviser's and its affiliates' profits relating to the management and distribution of the Fund and the MLIM/FAM-advised funds. As part of its analysis, each Board reviewed the Investment Adviser's methodology in allocating its costs to the management of the Fund and concluded that there was a reasonable basis for the allocation. The Boards also considered federal court decisions discussing an investment adviser's profitability and profitability levels considered to be reasonable in those decisions. Each Board believes the Investment Adviser's profits are reasonable in relation to the nature and quality of services provided.

Economies of Scale -- Each Board considered the extent to which economies of scale might be realized as the assets of the Fund increase and whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in these economies of scale. Each Board considered economies of scale to the extent applicable to each Fund's closed-end structure and determined that each Fund currently appropriately benefits from any economies of scale and no changes were currently necessary.

Conclusion

After the independent directors deliberated in executive session, each entire Board, including all of the independent directors, approved the renewal of the existing Investment Advisory Agreement, concluding that the advisory fee was reasonable in relation to the services provided and that a contract renewal was in the best interests of the shareholders.

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Officers and Directors

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years

Interested Director				

Robert C. Doll, Jr.*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 51	President and Director	2005 to present	President of the MLIM/FAM-advised funds since 2005; President of MLIM and FAM since 2001; Co-Head (Americas Region) thereof from 2000 to 2001 and Senior Vice President from 1999 to 2001; Preside

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and Director of Princeton Services, Inc. ("Princeton Services") since 2001; President of Princeton Administrators, L.P. ("Princeton Administrators") since 2001; Chief Investment Officer of Oppenheimer Funds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.

 * Mr. Doll is a director, trustee or member of an advisory board of certain other investment funds. Mr. Doll is an "interested person," as described in the Fund based on his current positions with MLIM, FAM, Princeton Services and Princeton Administrators, L.P. until their resignation, removal or death, or until December 31 of the year in which Mr. Doll serves at the pleasure of the Board of Directors.

 Independent Directors*

James H. Bodurtha**	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 61	Director	1995 to present	Director, The China Business Group, Inc. since 1996 and Executive Vice President thereof from 1996 to 2003; Chairman of the Board, Berkshire Holding Corporation since 1980; Partner, Squire, Sanders & Dempsey from 1980 to 1993.
Kenneth A. Froot	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 48	Director	2005 to present	Professor, Harvard University since 1992; Professor, Massachusetts Institute of Technology from 1986 to 1992.
Joe Grills**	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 70	Director	2002 to present	Member of the Committee of Investment of Employee Benefit Assets of the Association of Financial Professionals ("CIEBA") since 1986; Member of CIEBA's Executive Committee since 1988 and its Chairman from 1991 to 1992; Assistant Treasurer of International Business Machines Corporation ("IBM") and Chief Investment Officer of IBM Retirement Funds from 1986 to 1993; Member of the Investment Advisory Committee of the State of New York Common Retirement Fund since 1989; Member of the Investment Advisory Committee of the Howard Hughes Medical Institute from 1997 to 2000; Director, Duke University Management Company from 1992 to 2004, Vice Chairman thereof from 1998 to 2004, and Director Emeritus thereof since 2004; Director, LaSalle Street Fund from 1995 to 2001; Director, Kimco Realty Corporation since 1997; Member of the Investment Advisory Committee of the Virginia Retirement System since 1998, Vice Chairman thereof from 2002 to 2005, and Chairman thereof since 2005; Director, Montpelier Foundation since 1998 and its Vice Chairman since 2000; Member of the Investment Committee of the Woodberry Forest School since 2000; Member of the Investment Committee of the National Trust for Historic Preservation since 2000.

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Officers and Directors (continued)

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
----- Independent Directors* (concluded) -----				
Herbert I. London	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 66	Director	1991 (MYD) and 1992 (MQY & MQT) to present	John M. Olin Professor of Humanities, New York University since 1993 and Professor thereof since 1980; President, Hudson Institute since 1997 and Trustee thereof since 1980; Dean, Gallatin Division of New York University from 1976 to 1993; Distinguished Fellow, Herman Kahn Chair, Hudson Institute from 1984 to 1985; Director, Damon Corp. from 1991 to 1995; Overseer, Center for Naval Analyses from 1983 to 1993.
Roberta Cooper Ramo	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 63	Director	2002 to present	Shareholder, Modrall, Sperling, Roehl, Harris & Sisk, P.A. since 1993; President, American Bar Association from 1995 to 1996 and Member of the Board of Governors thereof from 1994 to 1997; Shareholder, Poole, Kelly & Ramo, Attorney at Law, P.C. from 1977 to 1993; Director of ECMO Group (service provider to students, schools and lenders) since 2001; Director, United New Mexico Bank (now Wells Fargo) from 1983 to 1988; Director, First National Bank of New Mexico (now Wells Fargo) from 1975 to 1976; Vice President, American Law Institute since 2004.
Robert S. Salomon, Jr.	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 68	Director	1996 to present	Principal of STI Management (investment adviser) since 1994; Chairman and CEO of Salomon Brothers Asset Management Inc. from 1992 to 1995; Chairman of Salomon Brothers Equity Mutual Funds from 1992 to 1995; regular columnist with Forbes Magazine from 1992 to 2002; Director of Stock Research and U.S. Equity Strategist at Salomon Brothers Inc. from 1975 to 1991; Trustee, Commonfund from 1980 to 2001.
Stephen B. Swensrud	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 72	Director	1992 to present	Chairman of Fernwood Advisors, Inc. (investment adviser) since 1996; Principal, Fernwood Associates (financial consultants) since 1975; Chairman of R.P.P. Corporation (manufacturing company) since 1978; Director of International Mobile Communications, Inc. (telecommunications) since 1998.

* Directors serve until their resignation, removal or death, or until December 31 of

** Co-Chairman of the Board and the Audit Committee.

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Officers and Directors (concluded)

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During
=====				
Fund Officers*				

Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 45	Vice President and Treasurer	1993 to present and 1999 to present	First Vice President of MLIM and FAM since 1997 Senior Vice President and Treasurer of Princeton since 2004; Vice President of FAM Distributors, President of MLIM and FAM from 1990 to 1997; Dir to 2001; Vice President, Treasurer and Secretary

Kenneth A. Jacob	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 54	Senior Vice President	2002 to present	Managing Director of MLIM since 2000; Director (Management) of MLIM from 1997 to 2000.

John M. Loffredo	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 41	Senior Vice President	2002 to present	Managing Director of MLIM since 2000; Director (Management) of MLIM from 1997 to 2000.

Theodore R. Jaeckel Jr.	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 46	Vice President	2004 (MYD) to present	Managing Director of MLIM since 2005; Director (Management) of MLIM from 1997 to 2005; Vice Pres

Michael A. Kalinoski	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 35	Vice President	1999 (MQY) and 2000 (MQT) to present	Vice President of MLIM since 1999.

Jeffrey Hiller	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 54	Chief Compliance Officer	2004 to present	Chief Compliance Officer of the MLIM/FAM-advised Chief Compliance Officer of MLIM (Americas Region) Officer of the IQ Funds since 2004; Global Director Investment Management from 2002 to 2004; Managing Compliance at Citigroup Asset Management from 2000 Officer at Soros Fund Management in 2000; Chief Financial from 1995 to 2000; Senior Counsel in t Enforcement in Washington, D.C. from 1990 to 199

Alice A. Pellegrino	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 45	Secretary	2004 to present	Director (Legal Advisory) of MLIM since 2002; Vi 2002; Attorney associated with MLIM since 1997; Princeton Services since 2004.

* Officers of the Funds serve at the pleasure of the Board of Directors.

MuniYield Fund, Inc. and
MuniYield Quality Fund II, Inc.

Custodian

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The Bank of New York
100 Church Street
New York, NY 10286

Transfer Agents

Common Stock:

The Bank of New York
101 Barclay Street -- 11 East
New York, NY 10286

Preferred Stock:

The Bank of New York
101 Barclay Street -- 7 West
New York, NY 10286

MuniYield Quality Fund, Inc.

Custodian

State Street Bank and Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agents

Common Stock:

Equiserve Trust Company N.A.
(c/o Computershare
Investor Services)
P.O. Box 43010
Providence, RI 02940-3010
800-426-5523

Preferred Stock:

The Bank of New York
101 Barclay Street -- 7 West
New York, NY 10286

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Investment Objectives

NYSE Symbol MYD MuniYield Fund, Inc. seeks to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

NYSE Symbol MQY MuniYield Quality Fund, Inc. seeks to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, high-grade municipal obligations the

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	Shares Voted For	Shares Voted Against	Shares Vo Abstai
3. To approve an amendment to Articles Supplementary or Certificate of Designation	11,306,335	900,082	465,97

During the six-month period ended October 31, 2005, MuniYield Quality Fund II, Inc.'s Preferred Stock shareholders (Series A - C) voted on the following proposal. Proposal 3 was approved at a shareholders' meeting on June 27, 2005. A description of the proposal and number of shares voted were as follows:

	Shares Voted For	Shares Voted Against	Shares Vo Abstai
3. To approve an amendment to Articles Supplementary or Certificate of Designation	5,605	342	5

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Dividend Policy

The Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Fund may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Fund for any particular month may be more or less than the amount of net investment income earned by the Fund during such month. The Fund's current accumulated but undistributed net investment income, if any, is disclosed in the Statement of Assets, Liabilities and Capital, which comprises part of the Financial Information included in this report.

Important Tax Information

All of the net investment income distributions paid by MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. during the taxable year ended October 31, 2005 qualify as tax-exempt interest dividends for federal income tax purposes.

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Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of

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the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this Web site at <http://www.icsdelivery.com/live> and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

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[LOGO] Merrill Lynch Investment Managers

www.mlim.ml.com

Mercury Advisors

A Division of Merrill Lynch Investment Managers

www.mercury.ml.com

These reports, including the financial information herein, are transmitted to shareholders of MuniYield Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. for their information. This is not a prospectus. Past performance results shown in these reports should not be considered a representation of future performance. The Funds have leveraged their Common Stock and intend to remain leveraged by issuing Preferred Stock to provide the Common Stock shareholders with potentially higher rates of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available (1) at www.mutualfunds.ml.com and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

MuniYield Fund, Inc.
MuniYield Quality Fund, Inc.
MuniYield Quality Fund II, Inc.
Box 9011
Princeton, NJ
08543-9011

#MYQII -- 10/05

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Item 2 - Code of Ethics - The registrant has adopted a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. A copy of the code of ethics is available without charge upon request by calling toll-free 1-800-MER-FUND (1-800-637-3863).

Item 3 - Audit Committee Financial Expert - The registrant's board of directors has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: (1) Joe Grills, (2) Robert S. Salomon, Jr., and (3) Stephen B. Swensrud.

Item 4 - Principal Accountant Fees and Services

(a) Audit Fees - Fiscal Year Ending October 31, 2005 - \$30,000
Fiscal Year Ending October 31, 2004 - \$28,000

(b) Audit-Related Fees - Fiscal Year Ending October 31, 2005 - \$19,900
Fiscal Year Ending October 31, 2004 - \$3,000

The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees, and services rendered in connection with the registration and issuance of a new series of AMPS.

(c) Tax Fees - Fiscal Year Ending October 31, 2005 - \$5,700
Fiscal Year Ending October 31, 2004 - \$5,610

The nature of the services include tax compliance, tax advice and tax planning.

(d) All Other Fees - Fiscal Year Ending October 31, 2005 - \$0
Fiscal Year Ending October 31, 2004 - \$0

(e)(1) The registrant's audit committee (the "Committee") has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). However, such services will only be deemed pre-approved provided that any individual project does not exceed \$5,000 attributable to the registrant or \$50,000 for all of the registrants the Committee oversees. Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting.

(e)(2) 0%

(f) Not Applicable

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(g) Fiscal Year Ending October 31, 2005 - \$6,277,749
Fiscal Year Ending October 31, 2004 - \$13,270,096

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Regulation S-X Rule 2-01(c) (7) (ii) - \$1,227,000, 0%

Item 5 - Audit Committee of Listed Registrants - The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a) (58) (A) of the Exchange Act (15 U.S.C. 78c(a) (58) (A)):

James H. Bodurtha
Kenneth A. Froot (as of June 1, 2005)
Joe Grills
Herbert I. London
Roberta Cooper Ramo
Robert S. Salomon, Jr.
Stephen B. Swensrud

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -
Proxy Voting Policies and Procedures

Each Fund's Board of Directors/Trustees has delegated to Merrill Lynch Investment Managers, L.P. and/or Fund Asset Management, L.P. (the "Investment Adviser") authority to vote all proxies relating to the Fund's portfolio securities. The Investment Adviser has adopted policies and procedures ("Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Investment Adviser's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Investment Adviser believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that the Investment Adviser considers the interests of its clients, including the Funds, and not the interests of the Investment Adviser, when voting proxies and that real (or perceived) material conflicts that may arise between the Investment Adviser's interest and those of the Investment Adviser's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Investment Adviser has formed a Proxy Voting Committee (the "Committee"). The Committee is comprised of the Investment Adviser's Chief Investment Officer (the "CIO"), one or more other senior investment professionals appointed by the CIO, portfolio managers and investment analysts appointed by the CIO and any other personnel the CIO deems appropriate. The Committee will also include two non-voting representatives from the Investment Adviser's Legal department appointed by the Investment Adviser's General Counsel. The Committee's membership shall be limited to full-time employees of the Investment Adviser. No person with any

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investment banking, trading, retail brokerage or research responsibilities for the Investment Adviser's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee, on the same basis as other interested

knowledgeable parties not affiliated with the Investment Adviser might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Investment Adviser and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Investment Adviser and is responsible for determining how those policies are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Investment Adviser believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Investment Adviser on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Investment Adviser will generally seek to vote proxies over which the Investment Adviser exercises voting authority in a uniform manner for all the Investment Adviser's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Investment Adviser in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to the Investment Adviser by ISS include in-depth research, voting recommendations (although the Investment Adviser is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping obligations under the Investment Company Act.

The Investment Adviser's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Investment Adviser generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Investment Adviser will vote proxies related to securities of foreign issuers only on a best efforts basis and may

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elect not to vote at all in certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Investment Adviser may be required to vote proxies in respect of an issuer where an affiliate of the Investment Adviser (each, an "Affiliate"), or a money management or other client of the Investment Adviser (each, a "Client") is involved. The Proxy Voting Procedures and the Investment Adviser's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, the Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the powers of the Committee shall pass to a subcommittee, appointed by the CIO (with advice from the Secretary of the Committee), consisting solely of Committee members selected by the CIO. The CIO shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and whose job evaluations would not be affected by the Investment Adviser's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Investment Adviser's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Investment Adviser's normal voting guidelines or, on matters where the Investment Adviser's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Investment Adviser on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Investment Adviser's fiduciary duties.

In addition to the general principles outlined above, the Investment Adviser has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Investment Adviser may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Investment Adviser has adopted specific voting guidelines with respect to the following proxy issues:

- o Proposals related to the composition of the Board of Directors of issuers other than investment companies. As a general matter, the Committee

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- believes that a company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Committee, therefore, believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a nominee's history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.
- o Proposals related to the selection of an issuer's independent auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.
 - o Proposals related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of an issuer's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by an issuer's board of directors, rather than shareholders. Proposals to "micro-manage" an issuer's compensation practices or to set arbitrary restrictions on compensation or benefits will, therefore, generally not be supported.
 - o Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.
 - o Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.
 - o Routine proposals related to requests regarding the formalities of corporate meetings.
 - o Proposals related to proxy issues associated solely with holdings of investment company shares. As with other types of companies, the Committee believes that a fund's Board of Directors (rather than its shareholders) is best-positioned to set fund policy and oversee management. However, the Committee opposes granting Boards of Directors authority over certain matters, such as changes to a fund's investment objective, that the Investment Company Act envisions will be approved directly by shareholders.
 - o Proposals related to limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The Committee generally believes that annual shareholder meetings are inappropriate forums for discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of

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matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - as of October 31, 2005.

(a) (1) Mr. Michael A. Kalinoski is primarily responsible for the day-to-day management of the registrant's portfolio ("Portfolio Manager"). Mr. Kalinoski has been a portfolio manager and Vice President of MLIM since 1999 and has 12 years of experience investing in Municipal Bonds, including six years as a portfolio manager on behalf of registered investment companies. He has been a Vice President and portfolio manager of the Fund since 2000.

(a) (2) As of October 31, 2005:

	(ii) Number of Other Accounts Managed and Assets by Account Type			(iii) Number of Other Assets for Which Performance	
(i) Name of Portfolio Manager	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies	Other Inves Vehi
Michael A. Kalinoski	3 \$1,086,464,466	0 \$ 0	0 \$ 0	0 \$ 0	\$ 0 \$

(iv) Potential Material Conflicts of Interest

Real, potential or apparent conflicts of interest may arise when a portfolio manager has day-to-day portfolio management responsibilities with respect to more than one fund or account, including the following:

Certain investments may be appropriate for the Fund and also for other clients advised by the Investment Adviser and its affiliates, including other client accounts managed by the Fund's portfolio management team. Investment decisions for the Fund and other clients are made with a view to achieving their respective investment objectives and after consideration of such factors as their current holdings, availability of cash for investment and the size of their investments generally. Frequently, a particular security may be bought or sold for only one client or in different amounts and at different times for more than one but less than all clients. Likewise, because clients of the Investment Adviser and its affiliates may have differing investment strategies, a particular security may be bought for one or more clients when one or more other clients are selling the security. The investment results for the Fund may differ from the results achieved by other clients of the Investment Adviser and its affiliates and results among clients may differ. In addition, purchases or sales of the same security may be made for two or more clients on the same day. In such event, such transactions will be allocated among the clients in a manner believed by the Investment Adviser and its affiliates to be equitable to each. The Investment Adviser will not determine allocations based on whether it receives a performance based fee from the client. In some cases, the allocation procedure could have an adverse effect on the price or amount of the securities purchased or sold by the Fund. Purchase and sale orders for the Fund may be

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combined with those of other clients of the Investment Adviser and its affiliates in the interest of achieving the most favorable net results to the Fund.

To the extent that the Fund's portfolio management team has responsibilities for managing accounts in addition to the Fund, a portfolio manager will need to divide his time and attention among relevant accounts.

In some cases, a real, potential or apparent conflict may also arise where (i) the Investment Adviser may have an incentive, such as a performance based fee, in managing one account and not with respect to other accounts it manages or (ii) where a member of the Fund's portfolio management team owns an interest in one fund or account he or she manages and not another.

(a) (3) As of October 31, 2005:

Portfolio Manager Compensation

The Portfolio Manager Compensation Program of MLIM and its affiliates, including the Investment Adviser, is critical to MLIM's ability to attract and retain the most talented asset management professionals. This program ensures that compensation is aligned with maximizing investment returns and it provides a competitive pay opportunity for competitive performance.

Compensation Program

The elements of total compensation for MLIM and its affiliates portfolio managers are a fixed base salary, annual performance-based cash and stock compensation (cash and stock bonus) and other benefits. MLIM has balanced these components of pay to provide portfolio managers with a powerful incentive to achieve consistently superior investment performance. By design, portfolio manager compensation levels fluctuate -- both up and down -- with the relative investment performance of the portfolios that they manage.

Base Salary

Under the MLIM approach, like that of many asset management firms, base salaries represent a relatively small portion of a portfolio manager's total compensation. This approach serves to enhance the motivational value of the performance-based (and therefore variable) compensation elements of the compensation program.

Performance-Based Compensation

MLIM believes that the best interests of investors are served by recruiting and retaining exceptional asset management talent and managing their compensation within a consistent and disciplined framework that emphasizes pay for performance in the context of an intensely competitive market for talent. To that end, MLIM and its affiliates portfolio manager incentive compensation is based on a formulaic compensation program. MLIM's formulaic portfolio manager compensation program includes: investment performance relative to a subset of general closed-end, leveraged, municipal debt funds over 1-, 3- and 5-year performance periods and a measure of operational efficiency. Portfolio managers are compensated based on the pre-tax performance of the products they manage. If a portfolio manager's tenure is less than 5 years, performance periods will reflect time in position. Portfolio managers are compensated based on products they manage. A discretionary element of portfolio manager compensation may include consideration of: financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, capital allocation, compliance and risk control,

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leadership, workforce diversity, supervision, technology and innovation. MLIM and its affiliates also consider the extent to which individuals exemplify and foster ML & Co.'s principles of client focus, respect for the individual, teamwork, responsible citizenship and integrity. All factors are considered collectively by MLIM management.

Cash Bonus

Performance-based compensation is distributed to portfolio managers in a combination of cash and stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for portfolio managers.

Stock Bonus

A portion of the dollar value of the total annual performance-based bonus is paid in restricted shares of ML & Co. stock. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year "at risk" based on the company's ability to sustain and improve its performance over future periods. The ultimate value of stock bonuses is dependent on future ML & Co. stock price performance. As such, the stock bonus aligns each portfolio manager's financial interests with those of the ML & Co. shareholders and encourages a balance between short-term goals and long-term strategic objectives. Management strongly believes that providing a significant portion of competitive performance-based compensation in stock is in the best interests of investors and shareholders. This approach ensures that portfolio managers participate as shareholders in both the "downside risk" and "upside opportunity" of the company's performance. Portfolio managers therefore have a direct incentive to protect ML & Co.'s reputation for integrity.

Other Compensation Programs

Portfolio managers who meet relative investment performance and financial management objectives during a performance year are eligible to participate in a deferred cash program. Awards under this program are in the form of deferred cash that may be benchmarked to a menu of MLIM mutual funds (including their own fund) during a five-year vesting period. The deferred cash program aligns the interests of participating portfolio managers with the investment results of MLIM products and promotes continuity of successful portfolio management teams.

Other Benefits

Portfolio managers are also eligible to participate in broad-based plans offered generally to employees of ML & Co. and its affiliates, including broad-based retirement, 401(k), health, and other employee benefit plans.

(a) (4) Beneficial Ownership of Securities. As of October 31, 2005, Mr. Kalinoski does not beneficially own any stock issued by the Fund.

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 10 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 11 - Controls and Procedures

11(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

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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.

11(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 second fiscal half-year 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 12 - Exhibits attached hereto

12(a) (1) - Code of Ethics - See Item 2

12(a) (2) - Certifications - Attached hereto

12(a) (3) - Not Applicable

12(b) - 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, Inc.

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

Robert C. Doll, Jr.,
Chief Executive Officer of
MuniYield Quality Fund, Inc.

Date: December 16, 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 of
MuniYield Quality Fund, Inc.

Date: December 16, 2005

By: /s/ Donald C. Burke

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

Date: December 16, 2005