

BLACKROCK MUNIYIELD QUALITY FUND INC
Form N-CSR
January 09, 2009

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: BlackRock MuniYield Quality Fund, Inc. (MQY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock 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: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2008

Date of reporting period: 11/01/2007 – 10/31/2008

Item 1 – Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

OCTOBER 31, 2008

[BlackRock MuniYield Fund, Inc. \(MYD\)](#)

[BlackRock MuniYield Quality Fund, Inc. \(MQY\)](#)

[BlackRock MuniYield Quality Fund II, Inc. \(MQT\)](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

Table of Contents

	Page
A Letter to Shareholders	3
Annual Report:	
Fund Summaries	4
The Benefits and Risks of Leveraging	7
Derivative Instruments	7
Financial Statements:	
Schedules of Investments	8
Statements of Assets and Liabilities	24
Statements of Operations	25
Statements of Changes in Net Assets	26
Statements of Cash Flows	28
Financial Highlights	29
Notes to Financial Statements	31
Report of Independent Registered Public Accounting Firm	37
Important Tax Information	38
Disclosure of Investment Advisory Agreement and Subadvisory Agreement	39
Automatic Dividend Reinvestment Plans	43
Officers and Directors	44
BlackRock Closed-End Funds	47
Additional Information	48

A Letter to Shareholders

Dear Shareholder

It has been a tumultuous period for investors, marked by almost daily headlines of deepening turmoil in financial markets and a darkening economic outlook. The news took an extraordinarily heavy tone late in the period as the credit crisis boiled over and triggered unprecedented failures and consolidation in the financial sector, stoking fears of a market and economic collapse and prompting a series of new government programs designed to contain and combat the fallout.

The Federal Reserve Board (the Fed) has taken decisive measures to restore liquidity and stabilize the financial system. Key moves included slashing the target federal funds rate 250 basis points (2.50%) between November 2007 and April 2008 and providing massive cash injections and lending programs. In October, as credit conditions further deteriorated, the central bank cut the key interest rate by 50 basis points on two separate occasions – on October 8 in coordination with five other global central banks, and again during its regularly scheduled meeting on October 29. This left the key short-term rate at just 1.0%, its lowest level since 2004. While the U.S. economy appeared fairly resilient through the second quarter of 2008, the third quarter saw a contraction of 0.5%, and a more significant decline is expected for the fourth quarter. Moreover, on December 1, the National Bureau of Economic Research confirmed that the U.S. had entered a recession in December 2007.

Against this backdrop, U.S. equity markets experienced intense volatility, with periods of downward pressure punctuated by sharp rebounds. Losses were significant and broad-based, though small-cap stocks fared moderately better than their larger counterparts. Non-U.S. markets decelerated at a considerably faster pace than domestic equities – a stark reversal of recent years trends, when international stocks generally outpaced U.S. stocks.

Treasury issues also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose) and outperformed other fixed income assets as investors continued their flight to higher quality and more liquid securities. Tax-exempt issues generally underperformed, as problems among municipal bond insurers and the collapse in the market for auction rate securities afflicted the group throughout the course of the past year. At the same time, the above mentioned economic headwinds and malfunctioning credit markets plagued the high yield sector, with the third quarter of 2008 marking one of the worst periods in history for the asset class.

Facing unprecedented volatility and macro pressures, the major benchmark indexes generally recorded losses for the six- and 12-month reporting periods:

Total Returns as of October 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(29.28)%	(36.10)%
Small cap U.S. equities (Russell 2000 Index)	(24.39)	(34.16)
International equities (MSCI Europe, Australasia, Far East Index)	(41.21)	(46.62)
Fixed income (Barclays Capital U.S. Aggregate Index*)	(3.63)	0.30
Tax-exempt fixed income (Barclays Capital Municipal Bond Index*)	(4.70)	(3.30)
High yield bonds (Barclays Capital U.S. Corporate High Yield 2% Issuer Capped Index*)	(24.86)	(25.41)

* Formerly a Lehman Brothers Index.

Past performance is no guarantee of future results. Index performance shown is for illustrative purposes only. You cannot invest directly in an index.

Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

3

Fund Summary as of October 31, 2008

BlackRock MuniYield Fund, Inc.

Investment Objective

BlackRock MuniYield Fund, Inc. (MYD) (the Fund) 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.

Performance

For the 12 months ended October 31, 2008, the Fund returned (25.06)% based on market price and (20.69)% based on net asset value (NAV). For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (19.05)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund maintained a neutral duration and yield curve posture for much of the period, but relative performance was adversely impacted by investments in lower-rated issues as credit spreads widened significantly. The Fund's above-market exposure to lower-rated issues has sustained a highly competitive dividend yield among its Lipper peers.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on New York Stock Exchange	MYD
Initial Offering Date	November 29, 1991
Yield on Closing Market Price as of October 31, 2008 (\$9.66) ¹	7.95%
Tax Equivalent Yield ²	12.23%
Current Monthly Distribution per Common Share ³	\$ 0.064
Current Annualized Distribution per Common Share ³	\$ 0.768
Leverage as of October 31, 2008 ⁴	40%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution rate is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Shares (Preferred Shares) and tender option bond trusts (TOBs)) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/08	10/31/07	Change	High	Low
Market Price	\$ 9.66	\$ 13.72	(29.59)%	\$ 14.90	\$ 6.49
Net Asset Value	\$ 10.70	\$ 14.36	(25.49)%	\$ 14.40	\$ 10.03

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Sector	10/31/08	10/31/07
Hospital	18%	17%
City, County & State	16	15
Transportation	15	20
Education	13	5

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Industrial & Pollution Control	12	15
Housing	8	4
Power	6	8
Tax Revenue	5	7
Tobacco	4	3
Lease Revenue	2	3
Water & Sewer	1	2
Resource Recovery		1

Credit Quality Allocations⁵

Credit Rating	10/31/08	10/31/07
AAA/Aaa	32%	40%
AA/Aa	24	17
A/A	15	11
BBB/Baa	8	10
BB/Ba	2	1
B/B	3	4
CCC/Caa	2	2
Not Rated ⁶	14	15

⁵ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

⁶ The investment advisor has deemed certain of these non-rated securities are of investment grade quality. As of October 31, 2008 and October 31, 2007, the market value of these securities was \$21,126,114 representing 3% and \$28,842,801 representing 3%, respectively, of the Fund's long-term investments.

Fund Summary as of October 31, 2008

BlackRock MuniYield Quality Fund, Inc.

Investment Objective

BlackRock MuniYield Quality Fund, Inc. (MQY) (the Fund) 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 interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

Performance

For the 12 months ended October 31, 2008, the Fund returned (12.47)% based on market price and (16.79)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (14.93)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. Fund performance was negatively impacted by above-average exposure to the longer end of the yield curve, where yields increased rapidly while those in the very short end fell. The Fund also had above-average exposure to bonds subject to the alternative minimum tax (AMT), which underperformed non-AMT bonds. Finally, above-average exposure to insured bonds with weaker underlying credits hurt performance as monoline insurers' credit ratings were downgraded.

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Fund Information

Symbol on New York Stock Exchange	MQY
Initial Offering Date	June 26, 1992
Yield on Closing Market Price as of October 31, 2008 (\$10.90) ¹	6.28%
Tax Equivalent Yield ²	9.66%
Current Monthly Distribution per Common Share ³	\$ 0.057
Current Annualized Distribution per Common Share ³	\$ 0.684
Leverage as of October 31, 2008 ⁴	43%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/08	10/31/07	Change	High	Low
Market Price	\$ 10.90	\$ 13.20	(17.42)%	\$ 14.15	\$ 6.78
Net Asset Value	\$ 11.68	\$ 14.88	(21.51)%	\$ 15.11	\$ 10.43

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Sector	10/31/08	10/31/07
Transportation	23%	22%
City, County & State	20	24
Education	13	9

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Water & Sewer	10	9
Industrial & Pollution Control	8	9
Hospital	8	8
Tax Revenue	7	8
Tobacco	3	2
Housing	3	2
Power	3	4
Lease Revenue	2	3

Credit Quality Allocations⁵

Credit Rating	10/31/08	10/31/07
AAA/Aaa	36%	86%
AA/Aa	50	7
A/A	5	5
BBB/Baa	6	
B/B	3	
Not Rated		2

⁵ Using the higher of S&P's or Moody's ratings.

Fund Summary as of October 31, 2008

BlackRock MuniYield Quality Fund II, Inc.

Investment Objective

BlackRock MuniYield Quality Fund II, Inc. (MQT) (the Fund) 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 interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes. The Fund invests primarily in insured municipal bonds.

Performance

For the 12 months ended October 31, 2008, the Fund returned (20.31)% based on market price and (18.42)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (14.93)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Fund performance was negatively impacted by above-average exposure to the longer end of the yield curve, where yields increased rapidly while those in the very short end fell. The Fund also had above-average exposure to bonds subject to the alternative minimum tax (AMT), which underperformed non-AMT bonds. Finally, above-average exposure to insured bonds with weaker underlying credits hurt performance as monoline insurers' credit ratings were downgraded.

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Fund Information

Symbol on New York Stock Exchange	MQT
Initial Offering Date	August 28, 1992
Yield on Closing Market Price as of October 31, 2008 (\$8.75) ¹	6.86%
Tax Equivalent Yield ²	10.55%
Current Monthly Distribution per Common Share ³	\$ 0.05
Current Annualized Distribution per Common Share ³	\$ 0.60
Leverage as of October 31, 2008 ⁴	44%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² Tax equivalent yield assumes the maximum federal tax rate of 35%.

³ The distribution is not constant and is subject to change.

⁴ As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/08	10/31/07	Change	High	Low
Market Price	\$ 8.75	\$ 11.60	(24.57)%	\$ 12.20	\$ 5.99
Net Asset Value	\$ 10.17	\$ 13.17	(22.78)%	\$ 13.44	\$ 9.08

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Sector	10/31/08	10/31/07
Transportation	29%	27%
City, County & State	16	19
Education	12	7

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Sales Tax	8	8
Water & Sewer	8	5
Housing	7	7
Industrial & Pollution Control	6	5
Power	5	9
Hospital	4	7
Lease Revenue	2	4
Tobacco	2	2
Resource Recovery	1	

Credit Quality Allocations⁵

Credit Rating	10/31/08	10/31/07
AAA/Aaa	36%	85%
AA/Aa	54	9
A/A	7	6
BBB/Baa	3	

⁵ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their Common Shares. However, these objectives cannot be achieved in all interest rate environments.

To leverage, each Fund issues Preferred Shares, which pay dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental yield.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares 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 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares 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. Conversely, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

In this case, the dividends paid to Preferred Shareholders are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common 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 Shares will be reduced or eliminated completely.

Furthermore, the value of the Fund's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Fund's Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also, from time to time, leverage their assets through the use of tender option bond (TOB) programs, as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal securities deposited into the TOB trust may adversely affect the Funds' NAVs per share.

The use of leverage may enhance opportunities for increased returns to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Funds' net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. The Funds may be required to sell portfolio securities at inopportune times or below fair market values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Funds to incur losses. The use of leverage may limit the Funds' ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate preferred shares issued by the Funds. The Funds will incur expenses in connection with the use of leverage, all of which are borne by the holders of the Common Shares and may reduce returns on the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of October 31, 2008, the Funds had economic leverage from Preferred Shares and TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage
BlackRock MuniYield Fund, Inc.	40%
BlackRock MuniYield Quality Fund, Inc.	43%
BlackRock MuniYield Quality Fund II, Inc	44%

Derivative Instruments

The Funds may invest in various derivative instruments, including swap agreements and other instruments specified in the Notes to Financials Statements, which constitute additional forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the other party to the transaction and illiquidity of the derivative instrument. The Funds' ability to successfully use a derivative instrument depends on the Advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments October 31, 2008

BlackRock MuniYield Fund, Inc. (MYD)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 2.0%		
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50%, 1/01/22	\$ 5,250	\$ 4,406,377
Tuscaloosa, Alabama, Special Care Facilities Financing Authority, Residential Care Facility Revenue Bonds (Capstone Village, Inc. Project), Series A (a)(b):		
5.625%, 8/01/25	2,200	1,419,572
5.875%, 8/01/36	6,425	3,879,158
		9,705,107
Arizona 13.5%		
Arizona State Transportation Board, Highway Revenue Bonds, Sub-Series A:		
5%, 7/01/21	5,825	5,844,572
5%, 7/01/22	7,030	7,032,953
5%, 7/01/23	5,240	5,252,471
Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.75%, 7/01/29	3,300	2,548,656
Maricopa County, Arizona, IDA, M/F Housing Revenue Refunding Bonds (CRS Pine Ridge Housing Corporation), Series A-1 (c)(d):		
6%, 10/20/31	5,000	4,570,650
6.05%, 10/20/36	5,000	4,442,600
Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT:		
6.25%, 6/01/19	3,000	2,056,530
6.30%, 4/01/23	5,090	3,259,840
Phoenix, Arizona, IDA, M/F Housing Revenue Bonds (Summit Apartments LLC Project) (d):		
6.25%, 7/20/22	1,610	1,565,097
6.45%, 7/20/32	1,425	1,347,295
6.55%, 7/20/37	1,305	1,227,966
Pima County, Arizona, IDA, Education Revenue Refunding Bonds (Arizona Charter Schools Project II), Series A:		
6.75%, 7/01/11 (e)	570	624,971
6.75%, 7/01/31	775	638,499
Pima County, Arizona, IDA, Revenue Bonds (Tucson Electric Power Company), Series A, 6.375%, 9/01/29	3,000	2,310,300
Salt Verde Financial Corporation, Arizona, Senior		

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Gas Revenue Bonds:		
5%, 12/01/32	10,020	6,250,075
5%, 12/01/37	11,525	6,938,165
Vistancia Community Facilities District, Arizona, GO:		
5.50%, 7/15/20	3,000	2,566,800
5.75%, 7/15/24	2,125	1,788,358
Yavapai County, Arizona, IDA, Hospital Facility		
Revenue Bonds (Yavapai Regional Medical Center), Series A, 6%, 8/01/33	5,900	5,008,923
		65,274,721
California 11.7%		
California State, GO, 5%, 4/01/31 (f)	10	9,203
California State, GO, Refunding, 5%, 6/01/32	11,335	10,203,767
California State Public Works Board, Lease		
Revenue Bonds:		
(Department of Corrections), Series C, 5%, 6/01/25	2,000	1,844,940
(Department of Mental Health Coalinga State Hospital), Series A, 5.125%, 6/01/29	4,500	4,077,315
California State, Various Purpose, GO, 5.25%, 11/01/25	6,800	6,599,196
Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds (e):		
Series A-3, 7.875%, 6/01/13	5,500	6,450,785
Series A-4, 7.80%, 6/01/13	7,500	8,774,100
Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Refunding Bonds, Senior Series A-1, 5.125%, 6/01/47		
	3,090	1,814,232
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (g)		
	6,135	4,647,569
Santa Clara, California, Subordinated Electric Revenue Bonds, Series A, 5%, 7/01/22 (h)		
	5,145	5,000,734
University of California Revenue Bonds (Multiple Purpose Projects), Series Q, 5%, 9/01/21 (g)		
	7,465	7,422,599
		56,844,440
Colorado 6.8%		
Colorado Educational and Cultural Facilities Authority, Revenue Refunding Bonds (University of Denver Project), Series B, 5.25%, 3/01/16 (e)(i)		
	3,245	3,539,192
Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Series D-2, 6.90%, 4/01/29		
	215	222,652
Colorado Health Facilities Authority, Revenue Refunding Bonds (Poudre Valley Health Care) (g):		
5.20%, 3/01/31	1,425	1,330,394
Series B, 5.25%, 3/01/36	2,840	2,594,312
Series C, 5.25%, 3/01/40	5,000	4,472,600

Portfolio Abbreviations

AMT Alternative Minimum Tax (subject to) **IDA** Industrial Development Authority

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

CABS	Capital Appreciation Bonds	IDR	Industrial Development Revenue Bonds
COP	Certificates of Participation	M/F	Multi-Family
EDA	Economic Development Authority	PCR	Pollution Control Revenue Bonds
EDR	Economic Development Revenue Bonds	PILOT	Payment in Lieu of Taxes
GO	General Obligation Bonds	S/F	Single-Family
HDA	Housing Development Authority	SIFMA	Securities Industry and Financials Market Association
HFA	Housing Finance Agency	VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)
 (Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Colorado (concluded)		
Denver, Colorado, City and County Airport Revenue Bonds, AMT, Series D, 7.75%, 11/15/13 (f)	\$ 7,080	\$ 7,525,898
Elk Valley, Colorado, Public Improvement Revenue Bonds (Public Improvement Fee), Series A:		
7.10%, 9/01/14	1,105	1,077,872
7.35%, 9/01/31	5,065	4,364,409
Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees):		
8%, 12/01/25	6,850	6,312,960
8.125%, 12/01/25	1,885	1,646,397
		33,086,686
Connecticut 0.1%		
Connecticut State Development Authority, IDR (AFCO Cargo BDL-LLC Project), AMT, 7.35%, 4/01/10	250	245,645
Florida 6.0%		
Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds (JetBlue Airways Corp.), AMT, 6.50%, 11/15/36	2,500	1,479,900
Hillsborough County, Florida, IDA, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT:		
Series A, 7.125%, 4/01/30	11,500	7,577,465
Series B, 7.125%, 4/01/30	5,000	3,340,700
Lee County, Florida, Revenue Bonds, 5%, 10/01/22 (f)	4,705	4,571,566
Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5.25%, 10/01/38 (j)	5,150	3,917,862
Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series B, 6.50%, 5/01/37	5,395	4,151,183
Orange County, Florida, Health Facilities Authority, Health Care Revenue Refunding Bonds (Orlando Lutheran Towers), 5.375%, 7/01/20	1,100	824,615
Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6.25%, 7/01/28	4,620	3,209,745
		29,073,036
Georgia 1.3%		
Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.375%, 7/15/38 (a)(b)	3,445	533,975
Private Colleges and Universities Authority, Georgia,		

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Revenue Refunding Bonds (Emory University Project), Series C, 5%, 9/01/38	6,400	5,941,824 6,475,799
Idaho 1.5%		
Idaho Housing Agency, S/F Mortgage Revenue Refunding Bonds, AMT, Senior Series C-2, 7.15%, 7/01/23	65	66,555
Power County, Idaho, Industrial Development Corporation, Solid Waste Disposal Revenue Bonds (FMC Corporation Project), AMT, 6.45%, 8/01/32	10,000	7,324,600 7,391,155
Illinois 1.8%		
Bolingbrook, Illinois, Special Services Area Number 1, Special Tax Bonds (Forest City Project), 5.90%, 3/01/27	1,000	795,630
Illinois State Finance Authority Revenue Bonds:		
(Friendship Village of Schaumburg), Series A, 5.625%, 2/15/37	1,750	1,110,445
(Landing at Plymouth Place Project), Series A, 6%, 5/15/37	2,155	1,473,912
(Monarch Landing, Inc. Project), Series A, 7%, 12/01/37	1,445	1,116,364
Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Bonds (McCormick Place Expansion), Series A, 5.50%, 6/15/23 (h)	4,000	4,043,560 8,539,911
Kansas 0.3%		
Lenexa, Kansas, Health Care Facility Revenue Bonds (Lakeview Village Inc.), Series C, 6.875%, 5/15/12 (d)	1,250	1,414,600
Kentucky 0.8%		
Kentucky Economic Development Finance Authority, Health System Revenue Refunding Bonds (Norton Healthcare, Inc.) Series A:		
6.625%, 10/01/10 (e)	2,350	2,554,050
6.625%, 10/01/28	650	614,328
Kentucky Economic Development Financing Authority, Louisville Arena Project Revenue Bonds (Louisville Arena Authority, Inc.), Sub-Series A-1, 6%, 12/01/38 (j)	800	755,432 3,923,810
Louisiana 8.1%		
Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Westlake Chemical Corporation), 6.75%, 11/01/32	10,000	7,569,000
Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25%, 8/15/36	6,750	5,164,088
Louisiana Public Facilities Authority, Revenue Refunding Bonds (Pennington Medical Foundation		

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Project), 5%, 7/01/31	1,000	749,540
Louisiana State Citizens Property Insurance Corporation, Assessment Revenue Bonds, Series B, 5%, 6/01/20 (f)	10,000	9,513,600
Port New Orleans, Louisiana, IDR, Refunding (Continental Grain Company Project), 6.50%, 1/01/17	19,000	16,393,580
		39,389,808
Maryland 4.2%		
Baltimore, Maryland, Convention Center Hotel Revenue Bonds:		
Senior Series A, 5.25%, 9/01/39 (k)(l)	5,625	5,220,562
Sub-Series B, 5.875%, 9/01/39	1,920	1,319,002
Maryland State Community Development Administration, Department of Housing and Community Development, Residential Revenue Refunding Bonds, AMT, Series A, 4.65%, 9/01/32	2,580	1,806,103
Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration AES Warrior Run), AMT, 7.40%, 9/01/19	3,000	2,560,170

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2008

9

Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Maryland (concluded)		
Maryland State Health and Higher Educational Facilities Authority, Revenue Refunding Bonds: (Peninsula Regional Medical Center), 5%, 7/01/36	\$ 5,000	\$ 3,920,150
(University of Maryland Medical System), 6%, 7/01/12 (e)	4,000	4,365,560
Maryland State Industrial Development Financing Authority, EDR (Our Lady of Good Counsel School), Series A, 6%, 5/01/35	500	350,255
Prince Georges County, Maryland, Special Obligation Bonds (National Harbor Project), 5.20%, 7/01/34	1,500	1,000,965
		20,542,767
Massachusetts 3.2%		
Massachusetts State Development Finance Agency, Human Service Provider Revenue Bonds (Seven Hills Foundation & Affiliates), 5%, 9/01/35 (m)	3,500	2,667,770
Massachusetts State Development Finance Agency, Revenue Refunding Bonds (Western New England College), Series A, 5%, 9/01/33 (j)	2,750	2,442,357
Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25%, 1/01/14 (e)(i)	10,000	10,383,700
		15,493,827
Michigan 1.7%		
Macomb County, Michigan, Hospital Finance Authority, Hospital Revenue Bonds (Mount Clemens General Hospital), Series B, 5.875%, 11/15/13 (e)	6,060	6,723,934
Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Henry Ford Health System), Series A, 5.25%, 11/15/32	1,000	786,190
Michigan State Strategic Fund, PCR, Refunding (General Motors Corp.), 6.20%, 9/01/20	2,500	800,100
		8,310,224
Minnesota 0.7%		
Eden Prairie, Minnesota, M/F Housing Revenue Bonds (Rolling Hills Project), Series A (d): 6%, 8/20/21	420	430,529
6.20%, 2/20/43	2,000	1,960,800
Minneapolis, Minnesota, M/F Housing Revenue Bonds (Gaar Scott Loft Project), AMT, 5.95%, 5/01/30	915	901,440
		3,292,769
Missouri 4.2%		

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Missouri State Highways and Transportation		
Commission, First Lien State Road Revenue		
Bonds, Series A:		
5%, 5/01/20	5,000	5,106,550
5%, 5/01/21	15,000	15,227,700
		20,334,250
Nebraska 0.3%		
Lincoln, Nebraska, Sanitation and Sewer		
Revenue Bonds:		
4.25%, 6/15/24	865	746,858
4.25%, 6/15/25	905	777,413
		1,524,271
New Hampshire 0.7%		
New Hampshire Health and Education Facilities		
Authority, Revenue Refunding Bonds (Elliot Hospital),		
Series B, 5.60%, 10/01/22	3,425	3,157,062
New Jersey 18.5%		
New Jersey EDA, Cigarette Tax Revenue Bonds,		
5.50%, 6/15/24	11,435	9,064,868
New Jersey EDA, First Mortgage Revenue Bonds:		
(Lions Gate Project), Series A, 5.75%, 1/01/25	710	527,189
(Lions Gate Project), Series A, 5.875%, 1/01/37	230	157,568
(The Presbyterian Home), Series A,		
6.375%, 11/01/31	3,000	2,256,750
New Jersey EDA, Motor Vehicle Surcharge Revenue		
Bonds, Series A, 5%, 7/01/29 (h)	20,000	18,563,000
New Jersey EDA, Retirement Community Revenue		
Bonds (Cedar Crest Village Inc. Facility), Series A,		
7.25%, 11/15/11 (e)	4,400	4,866,928
New Jersey EDA, School Facilities Construction		
Revenue Bonds, Series O, 5.25%, 3/01/23	8,825	8,862,065
New Jersey EDA, Special Facility Revenue Bonds		
(Continental Airlines Inc. Project), AMT:		
6.25%, 9/15/19	3,905	2,560,235
6.25%, 9/15/29	14,000	7,878,360
New Jersey Health Care Facilities Financing Authority		
Revenue Bonds (Pascack Valley Hospital		
Association) (a)(b):		
6%, 7/01/13	1,335	44,455
6.625%, 7/01/36	1,835	61,105
New Jersey State Transportation Trust Fund Authority,		
Transportation System Revenue Bonds:		
Series A, 5.50%, 12/15/21	3,975	4,064,716
Series A, 5.50%, 12/15/22	6,600	6,703,356
Series C, 5.05%, 12/15/35 (f)(h)(n)	13,110	2,494,702
Series D, 5%, 6/15/19 (f)	5,425	5,429,828
Series D, 5%, 6/15/20	9,410	9,251,630
Series D, 5%, 6/15/20 (f)	7,000	6,912,220
		89,698,975
New York 12.0%		
Dutchess County, New York, IDA, Civic Facility		

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Revenue Refunding Bonds (Saint Francis Hospital), Series A, 7.50%, 3/01/29	2,200	2,103,398
Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series F, 5%, 11/15/35	11,000	9,616,530
New York City, New York, City IDA, PILOT Revenue Bonds (Queens Baseball Stadium Project) (f):		
5%, 1/01/22	2,000	1,871,420
5%, 1/01/23	2,175	2,018,204
New York City, New York, City IDA, Special Facility Revenue Bonds (British Airways Plc Project), AMT, 7.625%, 12/01/32	1,250	903,400
New York City, New York, City Transitional Finance Authority, Building Aid Revenue Refunding Bonds, Series S-1, 4.50%, 1/15/38	1,970	1,528,109
New York City, New York, GO, Refunding, Series A (i):		
6.375%, 5/15/14	1,020	1,074,091
6.375%, 5/15/15	95	100,038
New York City, New York, GO, Series O, 5%, 6/01/33	2,500	2,198,675

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
New York (concluded)		
New York State Dormitory Authority, Non-State Supported Debt, Revenue Refunding Bonds: (Mount Sinai Health), Series A, 6.75%, 7/01/10 (e)	\$ 3,145	\$ 3,403,771
(Mount Sinai-NYU Medical Center Health System), Series A, 6.75%, 7/01/20	1,855	1,870,248
New York State Dormitory Authority, State Personal Income Tax Revenue Bonds (Education), Series F, 5%, 3/15/35	5,000	4,588,800
Suffolk County, New York, IDA, IDR, Refunding (Nissequogue Cogeneration Partners Facility), AMT, 5.50%, 1/01/23	2,500	1,865,575
Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series C-1, 5.50%, 6/01/21	9,400	9,232,304
Triborough Bridge and Tunnel Authority, New York, Subordinate Revenue Bonds, 5.25%, 11/15/30	10,000	9,807,800
Westchester County, New York, IDA, Continuing Care Retirement, Mortgage Revenue Bonds (Kendal on Hudson Project), Series A: 6.50%, 1/01/13 (e) 6.375%, 1/01/24	2,895 3,450	3,275,606 2,815,856 58,273,825
North Carolina 2.1%		
North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series D, 6.75%, 1/01/26	4,750	4,756,982
North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series 8-A, 6.20%, 7/01/16	145	143,984
North Carolina, HFA, S/F Revenue Bonds, Series II, 6.20%, 3/01/16 (c)	570	593,319
North Carolina Medical Care Commission, Health Care Facilities, First Mortgage Revenue Bonds: (Arbor Acres Community Project), 6.375%, 3/01/12 (e) (Presbyterian Homes Project), 5.40%, 10/01/27	1,000 5,000	1,100,560 3,555,150 10,149,995
Ohio 6.0%		
American Municipal Power, Inc., Ohio, Revenue Refunding Bonds (Prairie State Energy Campus Project), Series A, 5%, 2/15/38	6,885	5,999,589
Buckeye Tobacco Settlement Financing Authority,		

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Ohio, Tobacco Settlement Asset-Backed Bonds, Series A-2, 6.50%, 6/01/47	7,460	5,114,874
Cincinnati, Ohio, City School District, GO (Classroom Construction and Improvement), Refunding, 5.25%, 12/01/20 (h)(i)	3,000	3,059,640
Hamilton County, Ohio, Sewer System Improvement Revenue Bonds (The Metropolitan Sewer District of Greater Cincinnati), Series B, 5%, 12/01/28 (h)	5,065	4,794,478
Lucas County, Ohio, Health Care Facility Revenue Refunding and Improvement Bonds (Sunset Retirement Communities), Series A, 6.625%, 8/15/30	2,175	2,051,830
Mason, Ohio, City School District, GO (School Improvement), 5%, 6/01/14 (e)(g)	5,000	5,372,800
Port of Greater Cincinnati Development Authority, Ohio, Special Assessment Revenue Bonds (Cooperative Public Parking Infrastructure Project), 6.30%, 2/15/24	970	783,149
Toledo-Lucas County, Ohio, Port Authority Revenue Bonds (Saint Mary Woods Project), Series A: 6%, 5/15/24	750	562,605
6%, 5/15/34	2,250	1,528,245
		29,267,210

Oregon 1.7%

Oregon State Department of Administrative Services, COP, Series A, 6%, 5/01/10 (d)(e)	4,405	4,669,961
Oregon State, GO, Refunding (Veterans Welfare), Series 80A, 5.70%, 10/01/32	2,280	2,306,015
Portland, Oregon, Housing Authority, Housing Revenue Bonds (Pine Square and University Place), Series A, 5.875%, 1/01/22	1,610	1,382,427
		8,358,403

Pennsylvania 5.2%

Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series A, 6.25%, 11/01/27	5,270	3,196,255
Pennsylvania HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series 97A, 4.60%, 10/01/27	2,450	1,811,530
Pennsylvania State Higher Educational Facilities Authority, Health Services Revenue Refunding Bonds (Allegheny Delaware Valley Obligation), Series C, 5.875%, 11/15/16 (g)	16,270	13,088,239
Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, 7.75%, 12/01/17	1,265	1,198,018
Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125%, 12/01/11 (e)	5,000	5,935,350
		25,229,392

Rhode Island 1.3%

Central Falls, Rhode Island, Detention Facility

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Corporation, Revenue Refunding Bonds, 7.25%, 7/15/35	4,240	3,624,479
Woonsocket, Rhode Island, GO (g)(h):		
6%, 10/01/17	1,225	1,260,929
6%, 10/01/18	1,195	1,226,070
		6,111,478
South Dakota 0.8%		
South Dakota State Health and Educational Facilities Authority Revenue Bonds (Sanford Health), 5%, 11/01/40	5,210	4,107,929
Tennessee 0.7%		
Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75%, 8/01/17	3,775	3,501,161
Texas 14.0%		
Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Refunding Bonds (American Airlines Inc. Project), AMT, 5.75%, 12/01/29	3,500	1,225,175
Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A, 6.70%, 1/01/11 (e)	5,000	5,381,750

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2008

11

Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc. (MYD)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Texas (concluded)		
Bexar County, Texas, Housing Finance Corporation, M/F Housing Revenue Bonds (Water at Northern Hills Apartments), Series A (g):		
5.80%, 8/01/21	\$ 1,300	\$ 1,079,273
6%, 8/01/31	2,460	1,922,392
6.05%, 8/01/36	1,000	765,840
Dallas-Fort Worth, Texas, International Airport Facility Improvement Corporation, Revenue Refunding Bonds (American Airlines, Inc.), AMT, 5.50%, 11/01/30	12,500	4,375,500
Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project) (e)(m):		
6.375%, 10/01/10	2,000	2,165,920
6.875%, 10/01/10	3,000	3,276,510
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%, 4/01/26	5,000	4,978,900
Gulf Coast, Texas, IDA, Solid Waste Disposal Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 7.50%, 5/01/25	3,900	3,729,297
Houston, Texas, Airport System, Special Facilities Revenue Bonds (Continental Airlines), AMT, Series E:		
7.375%, 7/01/22	3,500	2,135,035
7%, 7/01/29	3,000	1,875,000
Houston, Texas, Industrial Development Corporation Revenue Bonds (Air Cargo), AMT, 6.375%, 1/01/23	1,595	1,355,271
Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT:		
6.375%, 4/01/27	4,830	3,844,970
6.95%, 4/01/30	3,330	2,853,510
North Texas Tollway Authority, System Revenue Refunding Bonds, Second Tier, Series F, 6.125%, 1/01/31	12,140	11,181,304
San Antonio Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds:		
5.50%, 8/01/23	6,955	5,156,437
5.50%, 8/01/25	6,365	4,678,848
Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50%, 8/15/39 (e)	6,500	5,685,355

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67,666,287

Virginia 6.3%

James City County, Virginia, EDA, Residential Care Facility, First Mortgage Revenue Refunding Bonds (Williamsburg Landing, Inc.), Series A:

5.35%, 9/01/26	1,500	1,083,570
5.50%, 9/01/34	2,000	1,359,180

Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.375%, 7/01/36 (g):

30,930	27,608,737
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Winchester, Virginia, IDA, Residential Care Facilities, Revenue Bonds (Westminster-Canterbury), Series A, 5.20%, 1/01/27

1,000	714,350
	30,765,837

Washington 0.4%

Vancouver, Washington, Housing Authority, Housing Revenue Bonds (Teal Pointe Apartments Project), AMT:

6%, 9/01/22	945	796,115
6.20%, 9/01/32	1,250	966,413
		1,762,528

Wisconsin 1.5%

Milwaukee, Wisconsin, Revenue Bonds (Air Cargo), AMT, 6.50%, 1/01/25

685	582,435
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Wisconsin State, GO, AMT, Series B, 6.20%, 11/01/26 (g)

415	420,632
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Wisconsin State Health and Educational Facilities Authority, Revenue Refunding Bonds (Franciscan Sisters Healthcare), 5%, 9/01/26

7,925	6,031,559
	7,034,626

Wyoming 0.8%

Wyoming Community Development Authority, Housing Revenue Bonds, AMT, Series 3, 4.75%, 12/01/37

5,315	3,617,974
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Puerto Rico 2.2%

Puerto Rico Commonwealth Highway and Transportation Authority, Transportation Revenue Refunding Bonds, Series N, 5.25%, 7/01/34 (i)

4,610	4,104,606
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Puerto Rico Electric Power Authority, Power Revenue Refunding Bonds, Series UU, 5%, 7/01/23 (f)

7,100	6,636,654
	10,741,260

U.S. Virgin Islands 1.0%

Virgin Islands Public Finance Authority, Refinery Facilities Revenue Bonds (Hovensa Refinery), AMT, 6.125%, 7/01/22

6,250	4,922,250
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Total Municipal Bonds 143.4%

695,229,018

Municipal Bonds Transferred to Tender Option Bond Trusts (o)

Alabama 0.8%

Birmingham, Alabama, Special Care Facilities

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Financing Authority, Revenue Refunding Bonds (Ascension Health Credit), Series C-2, 5%, 11/15/36	4,538	3,724,823
Colorado 2.3%		
Colorado Health Facilities Authority Revenue Bonds (Catholic Health) (g):		
Series C-3, 5.10%, 10/01/41	7,490	6,613,970
Series C-7, 5%, 9/01/36	4,800	4,248,288
		10,862,258
Connecticut 3.5%		
Connecticut State Health and Educational Facilities Authority Revenue Bonds (Yale University):		
Series T-1, 4.70%, 7/01/29	9,130	8,513,725
Series X-3, 4.85%, 7/01/37	9,270	8,477,230
		16,990,955
North Carolina 3.6%		
North Carolina Capital Facilities Finance Agency, Revenue Refunding Bonds (Duke University Project), Series A, 5%, 10/01/41	18,898	17,439,550

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield Fund, Inc. (MYD)
 (Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (o)	Par (000)	Value
Tennessee 2.0%		
Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds (Saint Jude Children's Research Hospital), 5%, 7/01/31	\$ 11,240	\$ 9,881,533
South Carolina 3.4%		
Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District) (j):		
5.25%, 12/01/28	7,795	7,559,435
5.25%, 12/01/29	6,920	6,630,398
5.25%, 12/01/30	2,510	2,375,012
		16,564,845
Virginia 3.3%		
University of Virginia, Revenue Refunding Bonds, 5%, 6/01/40	10,620	10,025,068
Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (h)	6,720	6,097,190
		16,122,258
Washington 1.0%		
Central Puget Sound Regional Transportation Authority, Washington, Sales and Use Tax Revenue Bonds, Series A, 5%, 11/01/32 (g)	5,384	4,933,676
Total Municipal Bonds Transferred to Tender Option Bond Trusts 19.9%		96,519,898
Total Long-Term Investments (Cost \$918,838,722) 163.3%		791,748,916

Short-Term Securities	Shares	
Merrill Lynch Institutional Tax-Exempt Fund, 1.63% (p)(q)	7,457,277	7,457,277
Total Short-Term Securities (Cost \$7,457,277) 1.5%		7,457,277
Total Investments (Cost \$926,295,999*) 164.8%		799,206,193
Other Assets Less Liabilities 2.6%		12,767,825
Liability for Trust Certificates, Including Interest Expense and Fees Payable (11.3)%		(55,083,385)
Preferred Shares, at Redemption Value (56.1)%		(271,946,089)
Net Assets Applicable to Common Shares 100.0%		\$ 484,944,544

*The cost and unrealized appreciation (depreciation) of investments as of October 31, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 869,962,519
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Gross unrealized appreciation	\$ 9,769,101
Gross unrealized depreciation	(135,197,503)
Net unrealized depreciation	\$ (125,428,402)

- (a) Non-income producing security.
- (b) Issuer filed for bankruptcy or is in default of interest payments.
- (c) FHA Insured.
- (d) GNMA Collateralized.
- (e) U.S. government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (f) AMBAC Insured.
- (g) FSA Insured.
- (h) MBIA Insured.
- (i) FGIC Insured.
- (j) Assured Guaranty Insured.
- (k) XL Capital Insured.
- (l) BHAC Insured.
- (m) Radian Insured.
- (n) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (o) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (p) Represents the current yield as of report date.
- (q) 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	Income
Merrill Lynch Institutional Tax-Exempt Fund	2,555,904	\$ 322,754

See Notes to Financial Statements.

Schedule of Investments October 31, 2008

BlackRock MuniYield Quality Fund, Inc. (MQY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 0.7%		
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 4.75%, 1/01/25	\$ 3,000	\$ 2,330,850
Arizona 0.5%		
Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, 5%, 12/01/32	2,970	1,852,567
California 18.7%		
Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.45%, 10/01/25 (a)(b)	4,150	3,318,382
Arcadia, California, Unified School District, GO (Election of 2006), CABS, Series A, 4.96%, 8/01/39 (c)(d)	2,200	295,790
Cabrillo, California, Community College District, GO (Election of 2004), Series B (d)(e): 5.20%, 8/01/37 4.87%, 8/01/38	3,250	496,372