

BLACKROCK MUNIYIELD QUALITY FUND INC
Form N-Q
March 29, 2011
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06660

Name of Fund: BlackRock MuniYield Quality Fund, Inc. (MQY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 04/30/2011

Date of reporting period: 01/31/2011

Item 1 Schedule of Investments

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| | | | | |
|--|----|--------|----|-----------|
| California Health Facilities Financing Authority, Refunding RB: Sutter Health, Series B, 5.88%, 8/15/31 (c) | \$ | 1,500 | \$ | 1,486,710 |
| California State University, RB, Systemwide, Series A (NPFGC), 5.00%, 11/01/35 | | 2,130 | | 1,920,280 |
| Carlsbad Unified School District, GO, Election of 2006, Series B, 6.09%, 5/01/34 (a) | | 5,000 | | 2,746,150 |
| Chino Valley Unified School District, GO, Election of 2002, Series C (NPFGC), 5.25%, 8/01/30 | | 1,200 | | 1,184,148 |
| City of San Jose California, Refunding RB, Series A, AMT (AMBAC), 5.50%, 3/01/32 | | 5,100 | | 4,688,430 |
| Coast Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGM), 5.53%, 8/01/13 (a) | | 2,800 | | 2,160,564 |
| El Monte Union High School District California, GO, Election of 2002, Series C (AGM), 5.25%, 6/01/28 | | 6,110 | | 6,000,448 |
| Fresno Unified School District California, GO, Election of 2001, Series E (AGM), 5.00%, 8/01/30 | | 1,230 | | 1,152,805 |
| Grossmont-Cuyamaca Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGC), 5.80%, 8/01/30 (b) | | 10,030 | | 2,626,957 |
| Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.43%, 8/01/34 (a) | | 4,125 | | 1,948,568 |
| Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 | | 2,500 | | 2,365,925 |
| Los Angeles Municipal Improvement Corp., RB, Series B1 (NPFGC), 4.75%, 8/01/37 | | 3,210 | | 2,718,324 |

Portfolio Abbreviations

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

| | |
|-------|---|
| AGC | Assured Guaranty Corp. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| ARB | Airport Revenue Bonds |
| BHAC | Berkshire Hathaway Assurance Corp. |
| CAB | Capital Appreciation Bonds |
| CIFG | CDC IXIS Financial Guaranty |
| COP | Certificates of Participation |
| EDA | Economic Development Authority |
| ERB | Education Revenue Bonds |
| GAN | Grant Anticipation Notes |

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| | |
|---------|---|
| GO | General Obligation Bonds |
| HDA | Housing Development Authority |
| HFA | Housing Finance Agency |
| IDA | Industrial Development Authority |
| ISD | Independent School District |
| NPFGC | National Public Finance Guarantee Corp. |
| PSF-GTD | Permanent School Fund Guaranteed |
| RB | Revenue Bonds |
| S/F | Single-Family |

BLACKROCK MUNIYIELD QUALITY FUND, INC.

JANUARY 31, 2011

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Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|--------------|
| California (concluded) | | |
| Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC): | | |
| 5.00%, 10/01/29 | \$ 4,000 | \$ 3,877,000 |
| 5.00%, 10/01/36 | 2,275 | 2,239,283 |
| Mount Diablo Unified School District California, GO, Election of 2002 (NPFGC), 5.00%, 7/01/27 | 1,750 | 1,661,555 |
| Orange County Sanitation District, COP, Series B (AGM): | | |
| 5.00%, 2/01/30 | 3,500 | 3,491,495 |
| 5.00%, 2/01/31 | 1,200 | 1,189,524 |
| Port of Oakland, RB, Series K, AMT (NPFGC), 5.75%, 11/01/29 | 2,405 | 2,285,736 |
| Poway Redevelopment Agency California, Tax Allocation Bonds, Refunding, Paguay Redevelopment Project (AMBAC), 5.13%, 6/15/33 | 2,000 | 1,633,340 |
| Sacramento Unified School District California, GO, Election of 2002 (NPFGC), 5.00%, 7/01/30 | 2,500 | 2,374,750 |
| San Bernardino Community College District California, GO, CAB, Election of 2008, Series B, 6.52%, 8/01/34 (a) | 10,000 | 5,556,800 |
| San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/38 | 3,000 | 2,825,490 |
| San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29 | 2,825 | 2,764,940 |
| San Mateo County Community College District, GO, Election of 2001, Series A (NPFGC), 5.00%, 9/01/26 | 2,725 | 2,724,891 |
| State of California, GO: | | |
| 5.13%, 6/01/27 | 30 | 28,858 |
| 5.50%, 4/01/28 | 5 | 4,972 |
| Ventura County Community College District, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/30 | 3,150 | 2,991,933 |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 6.55%, 8/01/36 (b) | 15,000 | 2,448,450 |
| | | 74,938,782 |

Colorado 1.5%

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| | | |
|--|-------|-----------|
| Colorado Health Facilities Authority, RB, Covenant Retirement Communities, Series A (Radian): | | |
| 5.50%, 12/01/27 | 1,600 | 1,396,096 |
| 5.50%, 12/01/33 | 900 | 757,908 |
| E-470 Public Highway Authority Colorado, Refunding RB, CAB, Series B (NPFGC), 5.56%, 9/01/29 (b) | 9,000 | 2,254,320 |
| Regional Transportation District, COP, Series A, 5.38%, 6/01/31 | 1,885 | 1,838,214 |
| | | 6,246,538 |

Florida 8.5%

| | | |
|--|-------|-----------|
| City of Tallahassee Florida, RB (NPFGC), 5.00%, 10/01/32 | 2,700 | 2,539,863 |
| County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33 | 4,050 | 3,698,298 |

| Municipal Bonds | Par (000) | Value |
|-----------------|--------------|-------|
|-----------------|--------------|-------|

Florida (concluded)

| | | |
|---|----------|--------------|
| County of Miami-Dade Florida, GO, Building Better Communities Program, Series B, 6.38%, 7/01/28 | \$ 3,300 | \$ 3,572,844 |
| County of Miami-Dade Florida, RB, Water & Sewer System (AGM), 5.00%, 10/01/39 | 4,000 | 3,745,640 |
| County of Miami-Dade Florida, Refunding RB, Miami International Airport, AMT (AGC), 5.00%, 10/01/40 | 8,200 | 7,069,220 |
| County of Orange Florida, Refunding RB, Series B (NPFGC), 5.13%, 1/01/32 | 2,200 | 2,129,974 |
| Florida State Department of Environmental Protection, RB, Series B (NPFGC), 5.00%, 7/01/27 | 2,545 | 2,511,253 |
| Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37 | 1,250 | 1,274,650 |
| Orange County School Board, COP, Series A (NPFGC), 5.00%, 8/01/31 | 5,000 | 4,689,050 |
| Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 | 375 | 367,429 |
| South Florida Water Management District, COP (AGC), 5.00%, 10/01/22 | 2,700 | 2,751,138 |
| | | 34,349,359 |

Georgia 1.0%

| | | |
|---|-------|-----------|
| Augusta-Richmond County Georgia, RB (AGM), 5.25%, 10/01/39 | 2,820 | 2,824,428 |
| Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 | 1,125 | 1,049,681 |

3,874,109

Illinois 22.6%

| | | |
|---|--------|------------|
| Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26 | 2,000 | 1,972,820 |
| Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40 | 750 | 721,920 |
| City of Chicago Illinois, ARB, General, Third Lien, Series B-2, AMT: (AGM), 5.75%, 1/01/23 | 3,400 | 3,447,090 |
| (AGM), 5.75%, 1/01/24 | 4,000 | 4,064,040 |
| (Syncora), 6.00%, 1/01/29 | 3,300 | 3,309,405 |
| City of Chicago Illinois, GO, CAB, City Colleges (NPFGC), 5.90%, 1/01/31 (b) | 13,000 | 3,308,630 |
| City of Chicago Illinois, RB, Series A (AGC), 5.00%, 1/01/38 | 4,000 | 3,678,560 |
| City of Chicago Illinois, Refunding ARB, General, Third Lien, Series A-2, AMT (AGM), 5.75%, 1/01/21 | 2,665 | 2,728,667 |
| City of Chicago Illinois, Refunding RB, General Airport, Third Lien, Series A, AMT (NPFGC): 5.75%, 1/01/21 | 13,665 | 13,735,648 |
| 5.38%, 1/01/32 | 10,000 | 8,996,600 |

Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|-------------------|
| Illinois (concluded) | | |
| County of Cook Illinois, GO, Capital Improvement, Series C (AMBAC), 5.50%, 11/15/12 (d) | \$ 5,080 | \$ 5,520,791 |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 6/15/30 | 28,525 | 28,614,854 |
| Metropolitan Pier & Exposition Authority, RB, CAB, McCormick Place Expansion Project, Series A (NPFGC), 5.82%, 6/15/30 (b) | 15,000 | 4,184,400 |
| Metropolitan Pier & Exposition Authority, Refunding RB, CAB, McCormick Place Expansion Project, Series B (AGM) (b): 5.83%, 6/15/27 | 1,750 | 622,895 |
| 6.25%, 6/15/44 | 4,625 | 470,039 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28 | 900 | 858,906 |
| Regional Transportation Authority, RB, Series B (NPFGC), 5.75%, 6/01/33 | 3,200 | 3,276,928 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 | 1,700 | 1,591,353 |
| | | <u>91,103,546</u> |
| Indiana 3.1% | | |
| Indiana Municipal Power Agency, RB: Series A (NPFGC), 5.00%, 1/01/37 | 2,750 | 2,522,135 |
| Series B, 5.75%, 1/01/34 | 550 | 552,013 |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB: Airport Authority Project, Series B, AMT (NPFGC), 5.25%, 1/01/28 | 2,370 | 2,204,005 |
| Airport Authority Project, Series B, AMT (NPFGC), 5.25%, 1/01/30 | 5,055 | 4,586,907 |
| Waterworks Project, Series A (AGC), 5.50%, 1/01/38 | 2,450 | 2,511,471 |
| | | <u>12,376,531</u> |
| Iowa 1.9% | | |
| Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37 | 7,700 | 7,610,911 |
| Louisiana 0.5% | | |
| Louisiana Public Facilities Authority, Refunding RB, Christus Health, | 1,800 | 1,914,174 |

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Series B (AGC), 6.50%, 7/01/30

Maryland 0.3%

| | | |
|---|-------|-----------|
| Maryland Community Development Administration, Refunding RB, Residential, Series A, AMT, 5.75%, 9/01/39 | 1,155 | 1,198,775 |
|---|-------|-----------|

Massachusetts 2.9%

| | | |
|---|-------|-----------|
| Massachusetts HFA, RB, AMT (AGM): Rental Mortgage, Series C, 5.60%, 1/01/45 | 4,000 | 3,875,920 |
| S/F Housing, Series 128, 4.80%, 12/01/27 (e) | 2,200 | 2,042,216 |
| Massachusetts HFA, Refunding RB, Series C, AMT: 5.00%, 12/01/30 | 3,000 | 2,745,540 |
| 5.35%, 12/01/42 | 1,525 | 1,368,962 |

| | | |
|------------------------|----------------------|--------------|
| Municipal Bonds | Par (000) | Value |
|------------------------|----------------------|--------------|

Massachusetts (concluded)

| | | |
|--|----------|--------------|
| Massachusetts Water Resources Authority, Refunding RB, General, Series A (NPFGC), 5.00%, 8/01/34 | \$ 1,800 | \$ 1,800,000 |
|--|----------|--------------|

11,832,638

Michigan 9.3%

| | | |
|--|-------|-----------|
| City of Detroit Michigan, RB, System, Second Lien, Series B (NPFGC), 5.00%, 7/01/36 | 3,150 | 2,701,535 |
| City of Detroit Michigan, Refunding RB: Second Lien, Series E (BHAC), 5.75%, 7/01/31 | 8,300 | 8,334,279 |
| Series D (NPFGC), 5.00%, 7/01/28 | 6,000 | 5,386,740 |
| Series D (NPFGC), 5.00%, 7/01/33 | 1,000 | 866,510 |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36 | 575 | 527,568 |
| Michigan Higher Education Student Loan Authority, Refunding RB, Student Loan, Series XVII-G, AMT (AMBAC), 5.20%, 9/01/20 | 2,140 | 2,140,642 |
| Michigan State HDA, RB, Series C, AMT, 5.50%, 12/01/28 | 1,455 | 1,378,918 |
| Michigan Strategic Fund, RB, Detroit Edison Co. Project, Series C, AMT (Syncora), 5.45%, 12/15/32 | 5,800 | 5,348,876 |
| Michigan Strategic Fund, Refunding RB, AMT (Syncora), Detroit Edison Co.: Pollution, Series C, 5.65%, 9/01/29 | 1,935 | 1,891,385 |
| Project, Series A, 5.50%, 6/01/30 | 1,700 | 1,616,411 |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39 | 3,510 | 3,908,420 |
| State of Michigan, RB, GAN (AGM), 5.25%, 9/15/26 | 3,350 | 3,385,242 |

 37,486,526

Minnesota 0.7%

| | | |
|---|-------|-----------|
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38 | 2,700 | 2,834,055 |
|---|-------|-----------|

Nevada 8.6%

| | | |
|---|--------|------------|
| City of Carson City Nevada, RB, Carson- Tahoe Hospital Project, Series A (Radian), 5.50%, 9/01/33 | 4,100 | 3,626,573 |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34 | 1,150 | 1,200,381 |
| County of Clark Nevada, RB (NPFGC): Southwest Gas Corp. Project, Series D, AMT, 5.25%, 3/01/38 | 10,400 | 9,203,688 |
| Subordinate Lien, Series A-2, 5.00%, 7/01/30 | 2,000 | 1,810,620 |
| Subordinate Lien, Series A-2, 5.00%, 7/01/36 | 19,100 | 16,872,940 |
| Las Vegas Valley Water District, GO, Refunding, Series A (NPFGC), 5.00%, 6/01/24 | 2,050 | 2,082,554 |

 34,796,756

Schedule of Investments (continued)

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

| Municipal Bonds | Par (000) | Value |
|--|--------------|------------|
| New Jersey 7.8% | | |
| New Jersey EDA, RB: | | |
| Cigarette Tax (Radian), 5.75%, 6/15/29 | \$ 710 | \$ 635,130 |
| Cigarette Tax (Radian), 5.50%, 6/15/31 | 1,285 | 1,130,646 |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/31 | 20,065 | 20,063,997 |
| School Facilities Construction, Series O, 5.13%, 3/01/30 | 7,500 | 7,360,950 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (NPFGC), 5.75%, 6/15/25 | 2,000 | 2,108,180 |
| | | 31,298,903 |
| North Carolina 0.5% | | |
| North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43 | | |
| | 2,300 | 1,870,199 |
| Ohio 0.3% | | |
| Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40 | | |
| | 1,400 | 1,277,108 |
| Pennsylvania 1.0% | | |
| Pennsylvania HFA, Refunding RB, AMT: S/F, Series 73A, 5.45%, 10/01/32 | | |
| | 2,120 | 2,072,406 |
| Series 99A, 5.25%, 10/01/32 | 2,000 | 1,905,380 |
| | | 3,977,786 |
| Puerto Rico 2.4% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | | |
| | 4,700 | 4,812,894 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB: | | |
| CAB, Series A (NPFGC), 5.73%, 8/01/41 (b) | 28,000 | 3,647,840 |
| First Sub-Series C, 6.00%, 8/01/39 | 1,050 | 1,047,154 |
| | | 9,507,888 |

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South Carolina 0.6%

| | | |
|--|-------|-----------|
| South Carolina Transportation Infrastructure Bank, RB, Series A, 5.25%, 10/01/40 | 2,500 | 2,387,800 |
|--|-------|-----------|

Texas 12.8%

| | | |
|--|-------|-----------|
| Bell County Health Facility Development Corp. Texas, RB, Lutheran General Health Care System, 6.50%, 7/01/19 (f) | 1,000 | 1,208,690 |
| City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC), 6.00%, 11/15/35 | 2,850 | 3,079,339 |
| Comal ISD, GO, School Building (PSF-GTD), 5.00%, 2/01/36 | 2,500 | 2,516,475 |
| Dallas-Fort Worth International Airport Facilities Improvement Corp., Refunding RB, Joint Series A, AMT (NPFGC): | | |
| 5.88%, 11/01/17 | 1,835 | 1,889,903 |
| 5.88%, 11/01/18 | 2,145 | 2,209,178 |
| 5.88%, 11/01/19 | 2,385 | 2,423,160 |

| Municipal Bonds | Par (000) | Value |
|--|-----------|--------------|
| Texas (concluded) | | |
| Lewisville ISD Texas, GO, Refunding, CAB, School Building (NPFGC), 4.67%, 8/15/24 (b) | \$ 4,150 | \$ 2,075,208 |
| Lone Star College System, GO, 5.00%, 8/15/33 | 4,800 | 4,808,880 |
| Mansfield ISD Texas, GO, School Building (PSF-GTD), 5.00%, 2/15/33 | 2,300 | 2,321,413 |
| North Texas Tollway Authority, Refunding RB, First Tier: CAB, System (AGC), 5.73%, 1/01/31 (b) | 7,950 | 2,227,988 |
| Series A, 6.00%, 1/01/28 | 3,380 | 3,491,472 |
| System (NPFGC), 5.75%, 1/01/40 | 12,300 | 11,559,294 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC): | | |
| 5.75%, 8/15/38 | 7,200 | 6,641,064 |
| 5.00%, 8/15/42 | 6,045 | 5,133,414 |
| | | 51,585,478 |

Utah 4.2%

| | | |
|---|--------|------------|
| City of Salt Lake City Utah, Refunding RB, IHC Hospitals Inc. (NPFGC), 6.30%, 2/15/15 (f) | 15,000 | 16,962,750 |
|---|--------|------------|

Vermont 0.4%

| | | |
|---|-------|-----------|
| Vermont HFA, Refunding RB, Multiple Purpose, Series C, AMT (AGM), 5.50%, 11/01/38 (e) | 1,730 | 1,670,211 |
|---|-------|-----------|

Virginia 1.7%

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| | | |
|--|-------|-----------------|
| Roanoke Economic Development Authority, Refunding RB, Carilion Health System, Series B (AGM), 5.00%, 7/01/38 | 5,250 | 4,824,750 |
| Virginia HDA, RB, Sub-Series H-1 (NPFGC), 5.35%, 7/01/31 | 2,125 | 2,127,040 |
| | | <hr/> 6,951,790 |

| | | |
|--|-------|-----------------|
| Washington 1.7% | | |
| City of Tacoma Washington, RB (NPFGC), 5.00%, 12/01/32 | 5,100 | 4,954,446 |
| Washington Health Care Facilities Authority, RB, Providence Health & Services, Series A: 5.00%, 10/01/39 | 1,525 | 1,349,579 |
| 5.25%, 10/01/39 | 850 | 781,652 |
| | | <hr/> 7,085,677 |

| | | |
|--|-------|-----------|
| Wisconsin 0.4% | | |
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, 5.00%, 11/15/33 | 1,850 | 1,657,545 |

| | | |
|-------------------------------------|--|-------------------|
| Total Municipal Bonds 117.6% | | <hr/> 474,173,585 |
|-------------------------------------|--|-------------------|

Schedule of Investments (continued)

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

| Municipal Bonds Transferred to Tender Option Bond Trusts (g) | Par (000) | Value |
|--|--------------|--------------|
| California 11.4% | | |
| Anaheim Public Financing Authority California, RB, Electric System Distribution Facilities, Series A (AGM), 5.00%, 10/01/31 | \$ 1,244 | \$ 1,170,883 |
| California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32 | 7,000 | 6,583,920 |
| Golden State Tobacco Securitization Corp., RB, Enhanced Asset-Backed, Series B (CIFG), 5.63%, 6/01/13 (d) | 10,000 | 11,010,800 |
| Los Angeles Community College District California, GO, Series A: Election of 2001 (NPFGC), 5.00%, 8/01/32 | 6,120 | 5,751,576 |
| Election of 2008, 6.00%, 8/01/33 | 2,639 | 2,791,646 |
| Orange County Sanitation District, COP (NPFGC), 5.00%, 2/01/33 | 2,749 | 2,670,789 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 509 | 511,272 |
| San Diego County Water Authority, COP, Refunding: Series 2002-A (NPFGC), 5.00%, 5/01/32 | 9,003 | 8,682,835 |
| Series 2008-A (AGM), 5.00%, 5/01/33 | 5,170 | 4,994,530 |
| Tamalpais Union High School District California, GO, Election of 2001 (AGM), 5.00%, 8/01/28 | 1,950 | 1,902,342 |
| | | 46,070,593 |
| Colorado 0.3% | | |
| Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34 | 1,220 | 1,191,360 |
| District of Columbia 0.4% | | |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 | 1,320 | 1,382,885 |
| Florida 9.9% | | |
| City of Tallahassee Florida, RB (NPFGC), 5.00%, 10/01/37 | 6,000 | 5,678,640 |
| County of Miami-Dade Florida, RB, Water & Sewer System (AGM), 5.00%, | 8,728 | 8,173,087 |

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| | | |
|--|--------|------------|
| 10/01/39 | | |
| County of Seminole Florida, Refunding RB, Series B (NPFGC), 5.25%, 10/01/31 | 6,300 | 6,167,322 |
| Florida State Board of Education, GO, Series D, 5.00%, 6/01/37 | 2,399 | 2,357,364 |
| Jacksonville Electric Authority Florida, RB, Sub-Series A, 5.63%, 10/01/32 | 4,310 | 4,436,240 |
| Miami-Dade County School Board, COP, Refunding, Series B (AGC), 5.25%, 5/01/27 | 11,350 | 10,993,156 |
| Orange County School Board, COP, Series A (NPFGC), 5.00%, 8/01/30 | 2,000 | 1,892,740 |
| | | 39,698,549 |

Georgia 3.6%

| | | |
|--|-------|-----------|
| Augusta-Richmond County Georgia, RB (AGM), 5.25%, 10/01/34 | 5,000 | 5,016,150 |
|--|-------|-----------|

Municipal Bonds Transferred to Tender Option Bond Trusts (g)

| | Par (000) | Value |
|--|--------------|--------------|
| Georgia (concluded) | | |
| City of Atlanta Georgia, RB, General, Subordinate Lien, Series C (AGM), 5.00%, 1/01/33 | \$ 10,000 | \$ 9,538,600 |
| | | 14,554,750 |

Hawaii 1.5%

| | | |
|--|-------|-----------|
| Honolulu City & County Board of Water Supply, RB, Series A (NPFGC), 5.00%, 7/01/33 | 6,000 | 5,947,860 |
|--|-------|-----------|

Illinois 3.9%

| | | |
|--|--------|------------|
| City of Chicago Illinois, Refunding RB, Second Lien (AGM), 5.25%, 11/01/33 | 14,429 | 13,908,106 |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 2,000 | 1,959,653 |
| | | 15,867,759 |

Massachusetts 4.1%

| | | |
|---|--------|------------|
| Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30 | 16,500 | 16,512,446 |
|---|--------|------------|

Nevada 1.9%

| | | |
|---|-------|-----------|
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39 | 5,007 | 5,209,579 |
| Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34 | 2,429 | 2,568,385 |
| | | 7,777,964 |

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New Hampshire 2.5%

| | | |
|---|--------|------------|
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth-Hitchcock Obligation (AGM), 5.50%, 8/01/27 | 10,000 | 10,018,500 |
|---|--------|------------|

New York 5.6%

| | | |
|--|--------|------------|
| Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28 | 2,007 | 2,108,271 |
| New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40 | 3,509 | 3,660,750 |
| New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36 | 1,545 | 1,620,427 |
| New York State Thruway Authority, RB, Series G (AGM), 5.00%, 1/01/32 | 14,200 | 13,751,848 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 | 1,500 | 1,509,405 |
| | | 22,650,701 |

North Carolina 0.5%

| | | |
|--|-------|-----------|
| North Carolina HFA, RB, Series 31-A, AMT, 5.25%, 7/01/38 | 2,369 | 2,182,002 |
|--|-------|-----------|

Ohio 0.2%

| | | |
|--|-----|---------|
| State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34 | 780 | 765,024 |
|--|-----|---------|

South Carolina 1.2%

| | | |
|--|-------|-----------|
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38 | 4,695 | 4,849,794 |
|--|-------|-----------|

Schedule of Investments (concluded)

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

| Municipal Bonds Transferred to Tender Option Bond Trusts (g) | Par (000) | Value |
|---|---------------|----------------------|
| Texas 2.7% | | |
| Clear Creek ISD Texas, GO, Refunding, School Building (PSF-GTD), 5.00%, 2/15/33 | \$ 5,900 | \$ 5,982,394 |
| Cypress-Fairbanks ISD, GO, Refunding, Schoolhouse (PSF-GTD), 5.00%, 2/15/32 | 4,750 | 4,801,680 |
| | | <u>10,784,074</u> |
| Virginia 0.1% | | |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 450 | 449,042 |
| Washington 0.6% | | |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32 | 2,504 | 2,487,888 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts 50.4% | | <u>203,191,191</u> |
| Total Long-Term Investments (Cost \$708,281,462) 168.0% | | <u>677,364,776</u> |
| Short-Term Securities | | |
| | Shares | |
| FFI Institutional Tax-Exempt Fund, 0.15% (h)(i) | 5,809,451 | 5,809,451 |
| Total Short-Term Securities (Cost \$5,809,451) 1.5% | | <u>5,809,451</u> |
| Total Investments (Cost \$714,090,913*) 169.5% | | <u>683,174,227</u> |
| Other Assets Less Liabilities 1.0% | | 4,263,435 |
| Liability for Trust Certificates, Including Interest Expense and Fees Payable (26.7)% | | (107,683,160) |
| Preferred Shares, at Redemption Value (43.8) % | | <u>(176,637,619)</u> |

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Net Assets Applicable to Common Shares 100.0% **\$ 403,116,883**

* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

| | | |
|-------------------------------|----|--------------|
| Aggregate cost | \$ | 606,998,897 |
| Gross unrealized appreciation | \$ | 7,397,356 |
| Gross unrealized depreciation | | (38,811,812) |
| Net unrealized depreciation | \$ | (31,414,456) |

- (a) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|----------------------|--------------|----------------------------|
| Morgan Stanley & Co. | \$ 1,486,710 | \$ 12,165 |

- (d) US 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.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Security is collateralized by Municipal or US Treasury obligations.
- (g) 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.
- (h) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at April 30, 2010 | Net Activity | Shares Held at January 31, 2011 | Income |
|---|--|-----------------|--|-----------|
| FFI Institutional Tax-Exempt Fund | 8,066,496 | (2,257,045) | 5,809,451 | \$ 11,079 |

(i) Represents the current yield as of report date.

Fair Value Measurements - Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical assets and liabilities

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------|--------------|----------------|---------|----------------|
| Assets: | | | | |
| Investments in Securities: | | | | |
| Long-Term Investments ¹ | | \$ 677,364,776 | | \$ 677,364,776 |
| Short-Term Securities | \$ 5,809,451 | | | 5,809,451 |
| Total | \$ 5,809,451 | \$ 677,364,776 | | \$ 683,174,227 |

¹ See above Schedule of Investments for values in each state or political subdivision.

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Item 2 Controls and Procedures

2(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniYield Quality Fund, Inc.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Quality Fund, Inc.

Date: March 25, 2011

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/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock MuniYield Quality Fund, Inc.

Date: March 25, 2011

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock MuniYield Quality Fund, Inc.

Date: March 25, 2011