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BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

September 27, 2007

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.

Fund Address: P.O. Box 9011  
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive Officer (principal 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

Date of fiscal year end: 10/31/2007

Date of reporting period: 05/01/2007 - 07/31/2007

Item 1 - Schedule of Investments

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State              | Face Amount | Municipal Bonds   |
|--------------------|-------------|---|
| Alabama - 0.7%     | \$ 3,000    | Jefferson County, Alabama, Limited Obligation School Warrants, 4.75% due 1/01/2025  |
| California - 18.3% | 4,150       | Alameda Corridor Transportation Authority, California, Capital Revenue Refunding Bonds, Subordinate Lien, Series A, 5.45% due |
|                    | 1,250       | Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f)    |
|                    | 2,200       | Arcadia, California, Unified School District, Capital Appreciation (Election of 2006), Series A, 4.96% due 8/01/2039 (f) (n)  |
|                    | 3,250       | Cabrillo, California, Community College District, GO (Election Series B, 5.20% due 8/01/2037 (g) (n)                          |
|                    | 7,405       | Cabrillo, California, Community College District, GO (Election Series B, 4.87% due 8/01/2038 (g) (n)                          |
|                    | 2,790       | California State, GO, 5.50% due 4/01/2014 (h)   |
|                    | 5           | California State, GO, 5.50% due 4/01/2028   |
|                    | 4,450       | California State, GO, Refunding, 5.25% due 9/01/2010 (h)  |
|                    | 30          | California State, GO, Refunding, 5.125% due 6/01/2027   |
|                    | 3,450       | California State University, Systemwide Revenue Bonds, Series A   |
|                    | 10,000      | California State, Various Purpose, GO, 5.25% due 11/01/2029   |

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|       |  |
|-------|--|
| 3,200 | California State, Various Purpose, GO, 5.50% due 11/01/2033  |
| 3,875 | Chabot-Las Positas, California, Community College District, GO Series B, 4.812% due 8/01/2025 (a) (n)                          |
| 1,200 | Chino Valley, California, Unified School District, GO (Election Series C, 5.25% due 8/01/2030 (g)                              |
| 3,525 | Coachella Valley, California, Unified School District, GO (Election Series A, 5% due 8/01/2028 (d)                             |
| 2,150 | East Side Union High School District, California, Santa Clara County (Election of 2002), Series D, 5% due 8/01/2026 (b)        |
| 1,230 | Fresno, California, Unified School District, GO (Election of 2002) 5% due 8/01/2030 (f)  |
| 1,600 | Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h) |
| 5,000 | Hacienda-La Puente, California, Unified School District, GO (Election Series B, 5% due 8/01/2027 (f)                           |
| 4,000 | Metropolitan Water District of Southern California, Waterworks Series B-1, 5% due 10/01/2029 (d)                               |
| 2,275 | Metropolitan Water District of Southern California, Waterworks Series B-1, 5% due 10/01/2036 (d)                               |

Portfolio Abbreviations

To simplify the listings of BlackRock MuniYield Quality Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

|         |  |
|---------|--|
| AMT     | Alternative Minimum Tax (subject to)   |
| COP     | Certificates of Participation          |
| DRIVERS | Derivative Inverse Tax-Exempt Receipts |
| EDA     | Economic Development Authority         |
| GO      | General Obligation Bonds               |
| HDA     | Housing Development Authority          |
| HFA     | Housing Finance Agency                 |
| IDA     | Industrial Development Authority       |
| IDB     | Industrial Development Board           |
| IDR     | Industrial Development Revenue Bonds   |
| PCR     | Pollution Control Revenue Bonds        |
| S/F     | Single-Family                          |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State | Face Amount | Municipal Bonds  |
|-------|-------------|--|
|       | \$ 2,000    | Mount Diablo, California, Unified School District, GO (Election of 2002) 5% due 7/01/2027 (d)                                    |
|       | 2,750       | Orange County, California, Sanitation District, COP, 5% due 2/01/2030 (g)  |
|       | 2,000       | Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a) |
|       | 2,100       | Sacramento, California, Unified School District, GO (Election of 2002) 5% due 7/01/2030 (g)                                      |
|       | 9,000       | San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5% due 5/01/2032 (g)                |
|       | 2,725       | San Mateo County, California, Community College District, GO (Election of 2002) Series A, 5% due 9/01/2026 (d)                   |
|       | 1,950       | Tamalpais, California, Union High School District, GO (Election of 2002) 5% due 8/01/2028 (d)                                    |

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|  |             |   |
|--|-------------|---|
|  |             | due 8/01/2028 (f)   |
|  | 3,150       | Ventura County, California, Community College District, GO (Ele Series B, 5% due 8/01/2030 (g))                                 |
| -----  |             |   |
| Colorado - 3.9%  | 1,650       | Colorado Health Facilities Authority Revenue Bonds (Catholic He Series A, 5.50% due 3/01/2032 (c))                              |
|  | 1,600       | Colorado Health Facilities Authority Revenue Bonds (Covenant Re Inc.), Series A, 5.50% due 12/01/2027 (j)                       |
|  | 1,000       | Colorado Health Facilities Authority Revenue Bonds (Covenant Re Inc.), Series A, 5.50% due 12/01/2033 (j)                       |
|  | 9,000       | E-470 Public Highway Authority, Colorado, Capital Appreciation Bonds, Series B, 5.485% due 9/01/2029 (g)(n)                     |
|  | 11,125      | Northwest Parkway, Colorado, Public Highway Authority (Converti Bonds, Series C, 5.345% due 6/15/2025 (f)(n))                   |
| -----  |             |   |
| District of Columbia - 1.8%  | 5,700       | District of Columbia, GO, Series A, 4.75% due 6/01/2036 (d)   |
|  | 1,930       | District of Columbia, Revenue Refunding Bonds (Catholic Univers 5.625% due 10/01/2009 (a)(h))                                   |
|  | 570         | District of Columbia, Revenue Refunding Bonds (Catholic Univers 5.625% due 10/01/2029 (a))                                      |
| -----  |             |   |
| Florida - 3.9%   | 2,235       | Beacon Tradeport Community Development District, Florida, Speci Revenue Refunding Bonds (Commercial Project), Series A, 5.625%  |
|  | 2,065       | Highlands County, Florida, Health Facilities Authority, Hospita (Adventist Health System), Series C, 5.25% due 11/15/2036       |
|  | 4,700       | Highlands County, Florida, Health Facilities Authority, Hospita Refunding Bonds (Adventist Health System), Series G, 5.125% due |
|  | 3,000       | Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (M Airport), AMT, Series A, 5% due 10/01/2040 (b)                  |
|  | 5,200       | Orange County, Florida, Sales Tax Revenue Refunding Bonds, Seri 5.125% due 1/01/2032 (d)  |
| -----  |             |   |
| Georgia - 5.4%   | 3,500       | Atlanta, Georgia, Airport Passenger Facility Charge and Subordi Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f)         |
|  | 4,270       | Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11   |
|  | 1,200       | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,   |
| BlackRock MuniYield Quality Fund, Inc.                                 |             |   |
| Schedule of Investments as of July 31, 2007 (Unaudited) (in Thousands) |             |   |
| State  | Face Amount | Municipal Bonds   |
| -----  |             |   |
|  | \$ 1,675    | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,   |
|  | 5,000       | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/0   |
|  | 2,820       | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/0   |
|  | 4,785       | Monroe County, Georgia, Development Authority, PCR, Refunding ( 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 - 15.7%   | 5,000       | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) 5.125% due 1/01/2009 (g)(h)                                     |
|  | 2,500       | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) 5.75% due 1/01/2012 (g)(h)                                      |
|  | 3,400       | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75% due 1/01/2023 (f)             |

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|  |             |  |
|--|-------------|--|
|  | 4,000       | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.75% due 1/01/2024 (f)  |
|  | 3,300       | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 6% due 1/01/2029 (b)   |
|  | 3           | Chicago, Illinois, O'Hare International Airport, Revenue Refund DRIVERS, AMT, Series 250, 7.505% due 1/01/2021 (g) (i) (m)                                       |
|  | 2,665       | Chicago, Illinois, O'Hare International Airport, Revenue Refund Third Lien, AMT, Series A-2, 5.75% due 1/01/2021 (f)   |
|  | 5,080       | Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2012 (a) (h)   |
|  | 28,525      | Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5.212% due 6/15/2030 (a) (n)  |
|  | 5,500       | Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5% due 6/15/2032 (a)  |
|  | 7,000       | Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), 5.50% due 1/01/2023 (a)                     |
|  | 3,500       | Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), Series B, 5.50% due 1/01/2023 (a)           |
| -----  |             |  |
| Indiana - 2.7%   | 6,470       | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2023 (a)        |
|  | 5,055       | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 1/01/2023 (a)        |
| -----  |             |  |
| Louisiana - 7.1%   | 5,100       | Louisiana Local Government Environmental Facilities and Community Authority, Revenue Bonds (Capital Projects and Equipment Acquisition), 6.30% due 7/01/2030 (a) |
|  | 2,800       | Louisiana State Citizens Property Insurance Corporation, Assessment Bonds, Series B, 5% due 6/01/2023 (a)  |
| BlackRock MuniYield Quality Fund, Inc.                                 |             |  |
| Schedule of Investments as of July 31, 2007 (Unaudited) (in Thousands) |             |  |
| State  | Face Amount | Municipal Bonds  |
| -----  |             |  |
|  | \$ 7,300    | Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 4.75% due 1/01/2027 (a) (n)  |
|  | 4,675       | Louisiana State Transportation Authority, Senior Lien Toll Revenue Bonds, Series B, 5.31% due 12/01/2027 (a) (n)   |
|  | 6,150       | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority Sub-Series A, 5.25% due 7/15/2028 (a)  |
|  | 5,000       | New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority Sub-Series A, 5% due 7/15/2033 (a)   |
|  | 800         | Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power Service Corporation), AMT, 4.70% due 11/01/2036 (a)   |
|  | 1,900       | Terrebonne Parish, Louisiana, Hospital Service District Number 10, Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2023 (a)            |
| -----  |             |  |
| Maryland - 1.7%  | 7,115       | Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Lien, 5.25% due 9/01/2039 (b)   |
| -----  |             |  |
| Massachusetts - 8.3%   | 3,730       | Massachusetts Bay, Massachusetts, Transportation Authority, General System Revenue Refunding Bonds, Series A, 7% due 3/01/2011 (g)                               |
|  | 3,550       | Massachusetts Bay Transportation Authority, Revenue Refunding Bonds (Transportation System), Series A, 7% due 3/01/2014 (g)                                      |
|  | 11,400      | Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Series A, 7% due 3/01/2014 (g)  |

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|                 |        |   |
|-----------------|--------|---|
|                 | 3,400  | Senior Series A-2, 4.80% due 7/01/2032 (n)<br>Massachusetts Bay Transportation Authority, Sales Tax Revenue R                             |
|                 | 4,000  | Senior Series A-2, 5.115% due 7/01/2035 (n)<br>Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds<br>5.60% due 1/01/2045 (f) |
|                 | 2,200  | Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Serie<br>due 12/01/2027 (f)   |
|                 | 2      | Massachusetts State Port Authority, Special Facilities Revenue<br>AMT, Series 501, 6.999% due 7/01/2009 (a) (i)                           |
|                 | 14,400 | Massachusetts State School Building Authority, Dedicated Sales<br>Series A, 5% due 8/15/2030 (f)  |
|                 | 2,400  | Massachusetts State Special Obligation Dedicated Tax Revenue Bo<br>5.25% due 1/01/2014 (d) (h)  |
|                 | 1,210  | Massachusetts State Water Resource Authority, General Revenue R<br>Series B, 5.125% due 8/01/2027 (g)                                     |
| -----           |        |   |
| Michigan - 3.8% | 2,350  | Detroit, Michigan, Sewage Disposal System, Second Lien Revenue<br>5% due 7/01/2036 (d)  |
|                 | 2,300  | Michigan Higher Education Student Loan Authority, Student Loan<br>Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)                      |
|                 | 1,000  | Michigan State Hospital Finance Authority, Hospital Revenue Ref<br>(Oakwood Obligated Group), Series A, 5% due 7/15/2025                  |
|                 | 1,700  | Michigan State Strategic Fund, Limited Obligation Revenue Refun<br>Edison Company Pollution Control Project), AMT, Series A, 5.50%        |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State                | Face<br>Amount | Municipal Bonds   |
|----------------------|----------------|---|
|                      | \$ 3,300       | Michigan State Strategic Fund, Limited Obligation Revenue Refun<br>(Detroit Edison Company Pollution Control Project), AMT, Series<br>5.65% due 9/01/2029 (b) |
|                      | 5,800          | Michigan State Strategic Fund, Limited Obligation Revenue Refun<br>(Detroit Edison Company Pollution Control Project), AMT, Series<br>due 12/15/2032 (b)      |
| -----                |                |   |
| Minnesota - 0.9%     | 4,190          | Dakota County, Minnesota, Community Development Agency, S/F Mor<br>Bonds (Mortgage-Backed Securities Program), Series B, 5.15% due                            |
| -----                |                |   |
| Nebraska - 2.0%      | 6,315          | Municipal Energy Agency of Nebraska, Power Supply System Revenu<br>Series A, 5% due 4/01/2033 (f)   |
|                      | 2,300          | Washington County, Nebraska, Wastewater Facilities Revenue Bond<br>(Cargill Inc. Project), AMT, 5.90% due 11/01/2027  |
| -----                |                |   |
| Nevada - 7.5%        | 4,100          | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospi<br>Series A, 5.50% due 9/01/2033 (j)  |
|                      | 2,000          | Clark County, Nevada, Airport System Subordinate Lien Revenue B<br>Series A-2, 5% due 7/01/2030 (d)   |
|                      | 19,100         | Clark County, Nevada, Airport System Subordinate Lien Revenue B<br>Series A-2, 5% due 7/01/2036 (d)   |
|                      | 2,300          | Clark County, Nevada, IDR (Southwest Gas Corp. Project), AMT, S<br>4.75% due 9/01/2036 (d)  |
|                      | 5,710          | Washoe County, Nevada, School District, GO, 5.875% due 12/01/20   |
| -----                |                |   |
| New Hampshire - 3.5% | 10,000         | New Hampshire Health and Education Facilities Authority Revenue   |

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|                   |        |   |
|-------------------|--------|---|
|                   | 5,000  | (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (f)<br>New Hampshire State Business Finance Authority, PCR, Refunding Company), AMT, Series D, 6% due 5/01/2021 (g) |
| New Jersey - 4.4% | 910    | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/202   |
|                   | 1,385  | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/203   |
|                   | 5,500  | New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A<br>5.25% due 7/01/2031 (g)  |
|                   | 3,860  | New Jersey EDA, School Facilities Construction Revenue Bonds, S<br>5.125% due 3/01/2028   |
|                   | 7,500  | New Jersey EDA, School Facilities Construction Revenue Bonds, S<br>5.125% due 3/01/2030   |
| New York - 5.9%   | 3,000  | Metropolitan Transportation Authority, New York, Revenue Bonds,<br>5% due 11/15/2035 (g)  |
|                   | 8,990  | Metropolitan Transportation Authority, New York, Transportation<br>Bonds, Series A, 5% due 11/15/2032 (d)   |
|                   | 10,000 | New York State Thruway Authority, General Revenue Refunding Bon<br>Series G, 5% due 1/01/2032 (f)   |
|                   | 3,570  | Tobacco Settlement Financing Corporation of New York Revenue Bo<br>Series A-1, 5.25% due 6/01/2022 (a)  |
| Ohio - 2.2%       | 2,500  | Columbus, Ohio, City School District, GO (School Facilities Con<br>and Improvements), 5.25% due 12/01/2014 (f) (h)  |
|                   | 2,000  | Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated<br>System-Jackson Hospital), 6.125% due 10/01/2009 (h) (j)   |
|                   | 5,250  | Ohio State Air Quality, Development Authority Revenue Bonds (Da<br>and Light Company Project), 4.80% due 9/01/2036 (d)  |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State                 | Face Amount | Municipal Bonds  |
|-----------------------|-------------|--|
| Oklahoma - 0.5%       | \$ 1,000    | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bo<br>International Airport), AMT, Series B, 6% due 6/01/2019 (d)     |
|                       | 1,000       | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bo<br>International Airport), AMT, Series B, 6.125% due 6/01/2026 (d) |
| Pennsylvania - 5.0%   | 9,000       | Pennsylvania State Public School Building Authority, School Lea<br>Bonds (The School District of Philadelphia Project), 5% due 6/0 |
|                       | 6,000       | Pennsylvania State Public School Building Authority, School Lea<br>Bonds (The School District of Philadelphia Project), 5.25% due  |
|                       | 6,250       | Philadelphia, Pennsylvania, Authority for Industrial Developmen<br>Revenue Bonds, Series B, 5.50% due 10/01/2021 (f)               |
| South Carolina - 5.6% | 3,750       | Berkeley County, South Carolina, School District, Installment L<br>Bonds (Securing Assets for Education Project), 5.125% due 12/01 |
|                       | 3,200       | Kershaw County, South Carolina, Public Schools Foundation, Inst<br>Revenue Refunding Bonds, 5% due 12/01/2029 (k)                  |
|                       | 8,800       | Scago Educational Facilities Corporation for Pickens County Sch<br>South Carolina, Revenue Bonds, 5% due 12/01/2031 (f)            |
|                       | 8,900       | South Carolina Transportation Infrastructure Bank Revenue Bonds<br>5% due 10/01/2033 (a)   |

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|                  |       |   |
|------------------|-------|---|
| Tennessee - 4.0% | 7,850 | Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Corporation), 5.875% due 10/01/2024 (a)  |
|                  | 5,000 | Memphis-Shelby County, Tennessee, Airport Authority, Airport Revenue Refunding Bonds, AMT, Series D, 6.25% due 3/01/2018 (a)                              |
|                  | 2,075 | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.00% due 10/01/2024 (a)   |
|                  | 2,340 | Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C, 6.00% due 10/01/2024 (a)   |
| -----            |       |   |
| Texas - 12.3%    | 2,000 | Austin, Texas, Convention Center Revenue Bonds (Convention Entertainment Trust Certificates, Second Tier, Series B, 6% due 1/01/2011 (h)                  |
|                  | 1,000 | Bell County, Texas, Health Facilities Development Revenue Bonds (General Health Care System), 6.50% due 7/01/2019 (c)                                     |
|                  | 1,835 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2017 (d)   |
|                  | 2,145 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2018 (d)   |
|                  | 2,385 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2019 (d)   |
|                  | 2,600 | Gregg County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Good Shepherd Medical Center Project), 6.375% due 10/01/2024 (a) |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State             | Face Amount | Municipal Bonds  |
|-------------------|-------------|--|
|                   | \$ 6,000    | Gregg County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2024 (a)                  |
|                   | 4,000       | Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Lien, Series G, 5.75% due 11/15/2020 (g)   |
|                   | 9,250       | Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.46% due 8/15/2028 (d) (n)   |
|                   | 13,350      | Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.58% due 8/15/2035 (n)   |
|                   | 6,150       | Lewisville, Texas, Independent School District, Capital Appreciation Refunding (School Building), GO, Refunding, 4.748% due 8/15/2024 (d) (n)                              |
|                   | 7,150       | North Harris County, Texas, Regional Water Authority, Senior Lien Refunding Bonds, 5.125% due 12/15/2035 (g)   |
|                   | 1,225       | North Texas Thruway Authority, Dallas North Thruway System Revenue Refunding Bonds, Series A, 5% due 1/01/2035 (f)   |
|                   | 2,098       | Texas State Affordable Housing Corporation, S/F Mortgage Revenue Refunding Bonds (Professional Educators Home Loan Program), AMT, Series A-1, 5.00% due 12/01/2039 (o) (p) |
|                   | 7,200       | Texas State Turnpike Authority, Central Texas Turnpike System Revenue Refunding 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 10/01/2024 (a)                     |
| -----             |             |  |
| Utah - 3.7%       | 15,000      | Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospital Revenue Refunding Bonds), 6.30% due 2/15/2015 (g)   |
| -----             |             |  |
| Virginia - 0.7%   | 3,100       | Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2024 (a)                              |
| -----             |             |  |
| Washington - 2.7% | 2,400       | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2014 (a) (h)  |
|                   | 5,100       | Tacoma, Washington, Regional Water Supply System, Water Revenue Refunding Bonds, Series A, 5.00% due 12/01/2024 (a)  |

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|   |        |  |
|---|--------|--|
|   | 4,125  | 5% due 12/01/2032 (g)<br>Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f)  |
| -----   |        |  |
| Total Municipal Bonds (Cost - \$590,313) - 134.7% |        |  |
| -----   |        |  |
| Municipal Bonds Held in Trust (r)                 |        |  |
| -----   |        |  |
| California - 7.1%                                 | 5,700  | California State, GO, Refunding, 5.25% due 2/01/2033 (j)   |
|   | 10,000 | Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2013 (b) (h)   |
|   | 14,160 | Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.625% due 6/01/2013 (h) (k)  |
| -----   |        |  |
| Georgia - 2.3%                                    | 10,000 | Atlanta, Georgia, Airport Passenger Facility Charge, Subordinated Refunding Bonds, Series C, 5% due 1/01/2033 (f)                |
| -----   |        |  |
| Illinois - 9.4%                                   | 10,000 | Chicago, Illinois, Board of Education, GO (Chicago School Refunding Bonds, 5.75% due 12/01/2027 (a)                              |
|   | 13,665 | Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2021 |
|   | 5,000  | Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.50% due 1/01/2022 |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of July 31, 2007 (Unaudited)

(in Thousands)

| State  | Face Amount | Municipal Bonds Held in Trust (r)   |
|--|-------------|---|
|  | \$12,500    | Chicago, Illinois, O'Hare International Airport, General Airport Refunding Bonds, Third Lien, AMT, Series A, 5.375% due 1/01/2033 |
| -----  |             |   |
| Massachusetts - 0.9%   | 3,825       | Massachusetts State Port Authority, Special Facilities Revenue Lines Inc. Project), AMT, Series A, 5.50% due 1/01/2019 (a)        |
| -----  |             |   |
| New Jersey - 3.1%  | 7,150       | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2022  |
|  | 6,000       | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2033  |
| -----  |             |   |
| New York - 3.3%  | 13,840      | New York City, New York, GO, Series B, 5.875% due 8/01/2016 (g)   |
| -----  |             |   |
| Oregon - 3.5%  | 15,000      | Portland, Oregon, Sewer System Revenue Bonds, Series A, 5.75% due 1/01/2033   |
| -----  |             |   |
| Texas - 2.5%   | 10,470      | Denton, Texas, Utility System Revenue Bonds, Series A, 6% due 1/01/2033   |
| -----  |             |   |
| Washington - 3.6%  | 15,000      | Energy Northwest, Washington, Electric Revenue Refunding Bonds Series A, 5.75% due 7/01/2017 (g)                                  |
| -----  |             |   |
| Total Municipal Bonds Held in Trust (Cost - \$156,872) - 35.7% |             |   |
| -----  |             |   |
|  | Shares Held | Short-Term Securities   |
| -----  |             |   |
|  | 2,700       | Merrill Lynch Institutional Tax-Exempt Fund, 3.47% (l) (q)  |
| -----  |             |   |
| Total Short-Term Securities (Cost - \$2,700) - 0.6%            |             |   |
| -----  |             |   |
| Total Investments (Cost - \$749,885*) - 171.0%                 |             |   |



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Other Assets Less Liabilities - 1.4%  
 Liabilities for Trust Certificates, Including Interest  
 Expense Payable - (17.0%)  
 Preferred Stock, at Redemption Value - (55.4%)  
  
 Net Assets Applicable to Common Stock - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of July 31, 2007, as computed for federal income tax purposes, were as follows:

|                               |            |
|-------------------------------|------------|
| Aggregate cost                | \$ 674,452 |
|                               | =====      |
| Gross unrealized appreciation | \$ 23,983  |
| Gross unrealized depreciation | (2,002)    |
|                               | -----      |
| Net unrealized appreciation   | \$ 21,981  |
|                               | =====      |

- (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.

BlackRock MuniYield Quality Fund, Inc.  
 Schedule of Investments as of July 31, 2007 (Unaudited) (in Thousands)

- (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<br>Activity | Dividend<br>Income |
|---|-----------------|--------------------|
| Merrill Lynch Institutional Tax-Exempt Fund | (4,016)         | \$123              |

- (m) These securities are short-term floating rate certificates issued by tender option bond trusts and are secured by the underlying municipal bond securities.
- (n) Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (o) FNMA/GNMA Collateralized.
- (p) FHLMC Collateralized.
- (q) Represents the current yield as of July 31, 2007.
- (r) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- o Forward interest rate swaps outstanding as of July 31, 2007 were as

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follows:

|  | Notional<br>Amount | Unrealized<br>Appreciation |
|--|--------------------|----------------------------|
| -----  |                    |                            |
| Pay a fixed rate of 3.697% and receive a floating rate based on<br>1-Week Bond Market Association Rate |                    |                            |
| Broker, JPMorgan Chase   |                    |                            |
| Expires August 2017  | \$ 20,000          | \$ 307                     |
| -----  |                    |                            |

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 and 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 (17 CFR 270.30a-3(d)) 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/ Robert C. Doll, Jr.

-----  
 Robert C. Doll, Jr.,  
 Chief Executive Officer (principal executive officer) of  
 BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 2007

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.

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

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Robert C. Doll, Jr.,  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 2007

By: /s/ Donald C. Burke

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Donald C. Burke,  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniYield Quality Fund, Inc.

Date: September 20, 2007