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BLACKROCK MUNIYIELD QUALITY FUND INC

Form N-Q

March 28, 2008

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: 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 - 01/31/2008

Item 1 - Schedule of Investments

BlackRock MuniYield Quality Fund, Inc.
Schedule of Investments as of January 31, 2008 (Unaudited) (in Thousands)

| State | Face Amount | Municipal Bonds |
|--------------------|----------------|---|
| Alabama - 2.3% | \$ 3,000 | Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 4.75% due 1/01/2025 |
| | 7,275 | University of Alabama, General Revenue Bonds, Series A, 5% due 7/01/2025 |
| Arizona - 0.7% | 3,320 | Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series A, 5% due 12/01/2032 |
| California - 22.3% | 4,150 | Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.45% due 10/01/2031 (h) |
| | 1,250 | Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (h) |
| | 2,200 | Arcadia, California, Unified School District, Capital Appreciation Bonds (Election of 2006), Series A, 4.96% due 8/01/2039 (h) (m) |
| | 3,250 | Cabrillo, California, Community College District, GO (Election of 2006) Series B, 5.20% due 8/01/2037 (j) (m) |
| | 7,405 | Cabrillo, California, Community College District, GO (Election of 2006) Series B, 4.87% due 8/01/2038 (j) (m) |
| | 2,790 | California State, GO, 5.50% due 4/01/2014 (k) |
| | 5 | California State, GO, 5.50% due 4/01/2028 |

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| | |
|--------|--|
| 1,680 | California State, GO, 5% due 11/01/2037 (p) |
| 4,450 | California State, GO, Refunding, 5.25% due 9/01/2010 (k) |
| 30 | California State, GO, Refunding, 5.125% due 6/01/2027 |
| 5,700 | California State, GO, Refunding, 5.25% due 2/01/2033 (l) |
| 2,500 | California State, GO, Refunding, 5% due 6/01/2037 |
| 3,450 | California State University, Systemwide Revenue Bonds, Series A, 5% due 11/01/2035 (e) |
| 10,000 | California State, Various Purpose, GO, 5.25% due 11/01/2029 |
| 3,200 | California State, Various Purpose, GO, 5.50% due 11/01/2033 |
| 1,200 | Chino Valley, California, Unified School District, GO (Election of 2002), Series C, 5.25% due 8/01/2030 (j) |
| 3,525 | Coachella Valley, California, Unified School District, GO (Election of 2002), Series A, 5% due 8/01/2028 (e) |
| 2,150 | East Side Union High School District, California, Santa Clara County, Unified School District, GO (Election of 2002), Series D, 5% due 8/01/2026 (p) |
| 1,230 | Fresno, California, Unified School District, GO (Election of 2002), Series E, 5% due 8/01/2030 (h) |
| 1,600 | Golden State Tobacco Securitization Corporation of California, Tobacco Securitization Revenue Bonds, Series B, 5.50% due 6/01/2013 (k) (p) |

Portfolio Abbreviation

To simplify the list of investments, we have abbreviated the names of many of the securities according to the list below.

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

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2008 (Unaudited)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-------|-------------|--|
| | \$ 3,410 | Los Angeles, California, Municipal Improvement Corporation, Lease Revenue Bonds, Series B-1, 4.75% due 8/01/2037 (e) |
| | 4,000 | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2029 (e) |
| | 2,275 | Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2036 (e) |
| | 2,000 | Mount Diablo, California, Unified School District, GO (Election of 2002), 5% due 7/01/2027 (e) |
| | 2,750 | Orange County, California, Sanitation District, COP, 5% due 2/01/2033 (e) |
| | 3,500 | Orange County, California, Sanitation District, COP, Series B, 5% due 11/01/2033 (e) |
| | 1,200 | Orange County, California, Sanitation District, COP, Series B, 5% due 11/01/2033 (e) |
| | 2,000 | Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a) |
| | 550 | Rancho Cucamonga, California, Redevelopment Agency, Tax Allocation Refunding Bonds, Series B, 5.50% due 6/01/2013 (k) (p) |

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| | | |
|--------------------------------|-------|--|
| | 2,100 | (Rancho Redevelopment Project), Series A, 5% due 9/01/2034 (j) Sacramento, California, Unified School District, GO (Election of 5% due 7/01/2030 (j) |
| | 9,000 | San Diego County, California, Water Authority, Water Revenue Refu COP, Series A, 5% due 5/01/2032 (j) |
| | 5,300 | San Jose, California, Airport Revenue Refunding Bonds, AMT, Serie due 3/01/2032 (a) |
| | 2,725 | San Mateo County, California, Community College District, GO (Ele Series A, 5% due 9/01/2026 (e) |
| | 1,950 | Tamalpais, California, Union High School District, GO (Election o 5% due 8/01/2028 (h) |
| | 3,150 | Ventura County, California, Community College District, GO (Elect Series B, 5% due 8/01/2030 (j) |
| <hr/> | | |
| Colorado - 1.6% | 1,650 | Colorado Health Facilities Authority Revenue Bonds (Catholic Heal Initiatives), Series A, 5.50% due 3/01/2032 (d) |
| | 1,600 | Colorado Health Facilities Authority Revenue Bonds (Covenant Reti Communities Inc.), Series A, 5.50% due 12/01/2027 (l) |
| | 1,000 | Colorado Health Facilities Authority Revenue Bonds (Covenant Reti Communities Inc.), Series A, 5.50% due 12/01/2033 (l) |
| | 9,000 | E-470 Public Highway Authority, Colorado, Capital Appreciation Re Refunding Bonds, Series B, 5.485% due 9/01/2029 (j) (m) |
| <hr/> | | |
| District of Columbia - 1.7% | 5,155 | District of Columbia, GO, Series A, 4.75% due 6/01/2036 (e) |
| | 1,930 | District of Columbia, Revenue Refunding Bonds (Catholic Universit 5.625% due 10/01/2009 (a) (k) |
| | 570 | District of Columbia, Revenue Refunding Bonds (Catholic Universit 5.625% due 10/01/2029 (a) |
| <hr/> | | |
| Florida - 4.7% | 2,235 | Beacon Tradeport Community Development District, Florida, Special Refunding Bonds (Commercial Project), Series A, 5.625% due 5/01/2 |
| | 3,100 | Duval County, Florida, School Board, COP (Master Lease Program), |

BlackRock MuniYield Quality Fund, Inc.
Schedule of Investments as of January 31, 2008 (Unaudited) (in Thousands)

| State | Face Amount | Municipal Bonds |
|----------------|----------------|---|
| | \$ 5,415 | Highlands County, Florida, Health Facilities Authority, Hospital (Adventist Health System), Series C, 5.25% due 11/15/2036 |
| | 6,300 | Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Mia Airport), AMT, 5% due 10/01/2040 (b) (p) |
| | 3,000 | Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Mia Airport), AMT, Series A, 5% due 10/01/2038 (c) |
| | 1,100 | Miami, Florida, Special Obligation Revenue Bonds (Street and Side Program), 5% due 1/01/2037 (j) |
| <hr/> | | |
| Georgia - 5.7% | 3,500 | Atlanta, Georgia, Airport Passenger Facility Charge and Subordina Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (h) |
| | 4,270 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11/0 |
| | 1,200 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5 |
| | 2,525 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A, 5 |
| | 5,000 | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/ |
| | 2,820 | Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/ |
| | 4,785 | Monroe County, Georgia, Development Authority, PCR, Refunding (Og |

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| Corporation-Scherer), Series A, 6.80% due 1/01/2011 | | |
|---|-------------|--|
| State | Face Amount | Municipal Bonds |
| Hawaii - 0.5% | 2,000 | Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (h) |
| Illinois - 15.5% | 5,000 | Chicago, Illinois, GO (Lakefront Millennium Parking Facilities), 5.125% due 1/01/2009 (j) (k) |
| | 3,400 | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Th AMT, Series B-2, 5.75% due 1/01/2023 (h) |
| | 4,000 | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Th AMT, Series B-2, 5.75% due 1/01/2024 (h) |
| | 3,300 | Chicago, Illinois, O'Hare International Airport Revenue Bonds, Th AMT, Series B-2, 6% due 1/01/2029 (p) |
| | 2,665 | Chicago, Illinois, O'Hare International Airport, Revenue Refundin 3rd Lien, AMT, Series A-2, 5.75% due 1/01/2021 (h) |
| | 3 | Chicago, Illinois, O'Hare International Airport, Revenue Refundin Series 250, 7.615% due 1/01/2021 (j) (o) |
| | 5,080 | Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% d |
| | 28,525 | Illinois Sports Facilities Authority, State Tax Supported Revenue 5.212% due 6/15/2030 (a) (m) |
| | 5,500 | Illinois Sports Facilities Authority, State Tax Supported Revenue 5% due 6/15/2032 (a) |
| | 7,000 | Metropolitan Pier and Exposition Authority, Illinois, Dedicated S Refunding Bonds (McCormick Place Expansion Project), 5.50% due 12/01/2027 (a) (m) |
| | 3,500 | Metropolitan Pier and Exposition Authority, Illinois, Dedicated S Refunding Bonds (McCormick Place Expansion Project), Series B, 5.50% due 12/01/2027 (a) (m) |
| Indiana - 3.3% | 2,800 | Indiana Municipal Power Agency, Power Supply System Revenue Bonds 5% due 1/01/2037 (j) |
| | 6,470 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 12/01/2027 (a) (m) |
| BlackRock MuniYield Quality Fund, Inc. | | |
| Schedule of Investments as of January 31, 2008 (Unaudited) (in Thousands) | | |
| State | Face Amount | Municipal Bonds |
| | \$ 5,055 | Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Indianapolis Airport Authority Project), AMT, Series B, 5.25% due 12/01/2027 (a) (m) |
| Louisiana - 5.3% | 5,100 | Louisiana Local Government Environmental Facilities and Community Authority, Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a) (m) |
| | 2,800 | Louisiana State Citizens Property Insurance Corporation, Assessme Bonds, Series B, 5% due 6/01/2023 (a) |
| | 8,600 | Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 4.75% due 12/01/2027 (a) (m) |
| | 4,675 | Louisiana State Transportation Authority, Senior Lien Toll Revenue Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a) (m) |
| | 2,000 | New Orleans, Louisiana, Aviation Board Revenue Bonds, AMT, Series B, 5.50% due 1/01/2038 (h) |
| | 800 | Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Power Generation), AMT, 4.70% due 11/01/2036 (a) |
| | 1,900 | Terrebonne Parish, Louisiana, Hospital Service District Number 1, Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 12/01/2027 (a) (m) |
| Maryland - 1.6% | 7,115 | Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Lien, 5.50% due 12/01/2027 (a) (m) |

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5.25% due 9/01/2039 (p)

| | | |
|----------------------|--------|--|
| Massachusetts - 5.3% | 3,730 | Massachusetts Bay Transportation Authority, General Transportation Revenue Refunding Bonds, Series A, 7% due 3/01/2011 (j) |
| | 3,550 | Massachusetts Bay Transportation Authority, Revenue Refunding Bonds (General Transportation System), Series A, 7% due 3/01/2014 (j) |
| | 11,400 | Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Senior Series A-2, 4.80% due 7/01/2032 (m) |
| | 13,400 | Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Senior Series A-2, 5.209% due 7/01/2035 (m) |
| | 4,000 | Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, 5.60% due 1/01/2045 (h) |
| | 2,200 | Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Series A, 4.80% due 12/01/2027 (h) |
| | 1,240 | Massachusetts State Health and Educational Facilities Authority (Lahey Clinic Medical Center), Series D, 5.25% due 8/15/2037 |
| | 3 | Massachusetts State Port Authority, Special Facilities Revenue Refunding Series 501, 7.463% due 7/01/2009 (a) (o) |
| | 1,210 | Massachusetts State Water Resource Authority, General Revenue Refunding Series B, 5.125% due 8/01/2027 (j) |
| Michigan - 3.5% | 2,350 | Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Refunding Series B, 5% due 7/01/2036 (e) |
| | 2,300 | Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a) |
| | 1,700 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding (Detroit Edison Company Pollution Control Project), AMT, Series A, 5.50% due 9/01/2029 (p) |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2008 (Unaudited)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|------------------|-------------|---|
| | \$ 3,300 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding (Detroit Edison Company Pollution Control Project), AMT, Series C, 5.65% due 9/01/2029 (p) |
| | 5,800 | Michigan State Strategic Fund, Limited Obligation Revenue Refunding (Detroit Edison Company Pollution Control Project), AMT, Series C, 5.45% due 12/15/2032 (p) |
| Minnesota - 0.9% | 4,140 | Dakota County, Minnesota, Community Development Agency, S/F Mortgage (Mortgage-Backed Securities Program), Series B, 5.15% due 12/01/2033 (h) |
| Nebraska - 4.0% | 6,315 | Municipal Energy Agency of Nebraska, Power Supply System Revenue Refunding Series A, 5% due 4/01/2033 (h) |
| | 8,800 | Public Power Generation Agency, Nebraska, Revenue Bonds (Whelan Energy Unit 2), Series A, 5% due 1/01/2032 (a) |
| | 2,300 | Washington County, Nebraska, Wastewater Facilities Revenue Refunding Project), AMT, 5.90% due 11/01/2027 |
| Nevada - 10.2% | 4,100 | Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital), Series A, 5.50% due 9/01/2033 (l) |
| | 2,000 | Clark County, Nevada, Airport System Subordinate Lien Revenue Refunding Series A-2, 5% due 7/01/2030 (e) |
| | 19,100 | Clark County, Nevada, Airport System Subordinate Lien Revenue Refunding Series A-2, 5% due 7/01/2030 (e) |

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|----------------------|--------|---|
| | 2,300 | Series A-2, 5% due 7/01/2036 (e) Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series A, 4.75% due 9/01/2036 (e) |
| | 12,000 | Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series D, 5.25% due 3/01/2038 (e) |
| | 5,710 | Washoe County, Nevada, School District, GO, 5.875% due 12/01/2009 |
| ----- | | |
| New Hampshire - 3.5% | 10,000 | New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (h) |
| | 5,000 | New Hampshire State Business Finance Authority, PCR, Refunding (Public Service Company), AMT, Series D, 6% due 5/01/2021 (j) |
| ----- | | |
| New Jersey - 4.4% | 910 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2029 |
| | 1,385 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031 |
| | 5,500 | New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25% due 7/01/2031 (j) |
| | 3,860 | New Jersey EDA, School Facilities Construction Revenue Bonds, Series O, 5.125% due 3/01/2028 |
| | 7,500 | New Jersey EDA, School Facilities Construction Revenue Bonds, Series O, 5.125% due 3/01/2030 |
| ----- | | |
| New York - 5.9% | 3,000 | Metropolitan Transportation Authority, New York, Revenue Bonds, Series B, 5% due 11/15/2035 (j) |
| | 8,990 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (e) |
| | 10,000 | New York State Thruway Authority, General Revenue Refunding Bonds, Series G, 5% due 1/01/2032 (h) |
| | 3,570 | Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a) |
| ----- | | |
| Ohio - 0.5% | 2,000 | Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated Health System-Jackson Hospital), 6.125% due 10/01/2009 (k)(l) |
| ----- | | |
| Oklahoma - 0.5% | 1,000 | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bonds (International Airport), AMT, Series B, 6% due 6/01/2019 (e) |
| | 1,000 | Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bonds (International Airport), AMT, Series B, 6.125% due 6/01/2026 (e) |
| ----- | | |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2008 (Unaudited)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------------|-------------|--|
| ----- | | |
| Pennsylvania - 1.7% | \$ 2,000 | Pennsylvania HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series A, 5.25% due 10/01/2032 |
| | 5,000 | Philadelphia, Pennsylvania, Authority for Industrial Development, Revenue Bonds, Series B, 5.50% due 10/01/2011 (h)(k) |
| ----- | | |
| South Carolina - 3.6% | 3,750 | Berkeley County, South Carolina, School District, Installment Lease Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2030 |
| | 3,200 | Kershaw County, South Carolina, Public Schools Foundation, Installment Revenue Refunding Bonds, 5% due 12/01/2029 (c) |
| | 8,900 | South Carolina Transportation Infrastructure Bank Revenue Bonds, 5% due 10/01/2033 (a) |

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| | | |
|------------------|--------|---|
| Tennessee - 1.7% | 5,000 | Memphis-Shelby County, Tennessee, Airport Authority, Airport Revenue Bonds (AMT, Series D, 6.25% due 3/01/2018 (a)) |
| | 2,535 | Tennessee Energy Acquisition Corporation, Gas Revenue Bonds, Series A, 5.25% due 9/01/2026 |
| Texas - 15.2% | 2,000 | Austin, Texas, Convention Center Revenue Bonds (Convention Enterprise Trust Certificates, Second Tier, Series B, 6% due 1/01/2011 (k)) |
| | 1,000 | Bell County, Texas, Health Facilities Development Revenue Bonds (Health Care System), 6.50% due 7/01/2019 (d) |
| | 1,835 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2017 (e) |
| | 2,145 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2018 (e) |
| | 2,385 | Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, AMT, Series A, 5.875% due 11/01/2019 (e) |
| | 2,600 | Gregg County, Texas, Health Facilities Development Corporation, Health Facilities Development Revenue Bonds (Good Shepherd Medical Center Project), 6.375% due 10/01/2020 |
| | 6,000 | Gregg County, Texas, Health Facilities Development Corporation, Health Facilities Development Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2020 |
| | 4,000 | Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Series G, 5.75% due 11/15/2020 (j) |
| | 9,250 | Leander, Texas, Independent School District, Capital Appreciation Bonds (School Building), 5.46% due 8/15/2028 (e) (m) |
| | 9,225 | Leander, Texas, Independent School District, Capital Appreciation Bonds (School Building), 5.47% due 8/15/2032 (m) |
| | 13,350 | Leander, Texas, Independent School District, Capital Appreciation Bonds (School Building), 5.58% due 8/15/2035 (m) |
| | 6,150 | Lewisville, Texas, Independent School District, Capital Appreciation Bonds (School Building), GO, Refunding, 4.748% due 8/15/2024 (e) (m) |
| | 7,150 | North Harris County, Texas, Regional Water Authority, Senior Lien Revenue Bonds, Series A, 5.125% due 12/15/2035 (j) |

BlackRock MuniYield Quality Fund, Inc.
 Schedule of Investments as of January 31, 2008 (Unaudited) (in Thousands)

| State | Face Amount | Municipal Bonds |
|-----------------|-------------|--|
| | \$ 1,225 | North Texas Thruway Authority, Dallas North Thruway System Revenue Bonds, Series A, 5% due 1/01/2035 (h) |
| | 2,089 | Texas State Affordable Housing Corporation, S/F Mortgage Revenue Bonds (Educators Home Loan Program), AMT, Series A-1, 5.50% due 12/01/2020 |
| | 7,200 | Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.75% due 8/15/2038 (a) |
| | 10,000 | Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, Second Tier, Series A, 5% due 8/15/2042 (a) |
| | 4,600 | Travis County, Texas, Health Facilities Development Corporation, Health Facilities Development Revenue Bonds (Ascension Health Credit), Series A, 6.25% due 11/15/2009 (e) |
| Utah - 3.9% | 15,000 | Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospital Revenue Bonds), Series A, 6.30% due 2/15/2015 (j) |
| Vermont - 0.2% | 1,000 | Vermont HFA, Revenue Refunding Bonds, AMT, Series C, 5.50% due 11/15/2015 (e) |
| Virginia - 0.7% | 3,100 | Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds, Series A, 5.75% due 11/15/2015 (e) |

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| | | Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 |
| Washington - 2.5% | 2,400 | Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.50% due 12/01/2014 (a) (k) |
| | 5,100 | Tacoma, Washington, Regional Water Supply System, Water Revenue Bonds, Series A, 5% due 12/01/2032 (j) |
| | 3,185 | Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (h) |
| ----- | | |
| Total Municipal Bonds (Cost - \$583,331) - 133.4% | | |
| ----- | | |
| Municipal Bonds Transferred to Tender Option Bond Trusts (i) | | |
| ----- | | |
| California - 6.1% | 10,000 | Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.50% due 6/01/2013 (k) (p) |
| | 14,160 | Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.625% due 6/01/2013 (c) (k) |
| ----- | | |
| Georgia - 2.3% | 10,000 | Atlanta, Georgia, Airport Passenger Facility Charge, Subordinate Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (h) |
| ----- | | |
| Florida - 1.6% | 1,900 | Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5% due 10/01/2040 (p) |
| | 5,200 | Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series A, 5.125% due 1/01/2032 (e) |
| ----- | | |
| Illinois - 7.2% | 13,665 | Chicago, Illinois, O'Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2021 (j) |
| | 5,000 | Chicago, Illinois, O'Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series A, 5.50% due 1/01/2022 (j) |
| | 12,500 | Chicago, Illinois, O'Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series A, 5.375% due 1/01/2032 (j) |
| ----- | | |
| Massachusetts - 4.2% | 3,825 | Massachusetts State Port Authority, Special Facilities Revenue Bonds (Boston Harbor Tunnel Inc. Project), AMT, Series A, 5.50% due 1/01/2019 (a) |
| | 14,400 | Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (h) |
| ----- | | |

BlackRock MuniYield Quality Fund, Inc.

Schedule of Investments as of January 31, 2008 (Unaudited)

(in Thousands)

| State | Face Amount | Municipal Bonds |
|--|-------------|--|
| New Jersey - 6.5% | \$ 7,150 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2024 |
| | 6,000 | New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031 |
| | 14,660 | New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, due 7/01/2031 (j) |
| ----- | | |
| New York - 3.3% | 13,840 | New York City, New York, GO, Series B, 5.875% due 8/01/2016 (j) |
| ----- | | |
| Oregon - 3.6% | 15,000 | Portland, Oregon, Sewer System Revenue Bonds, Series A, 5.75% due 1/01/2032 (j) |
| ----- | | |
| Texas - 2.6% | 10,470 | Denton, Texas, Utility System Revenue Bonds, Series A, 6% due 12/01/2032 (j) |
| ----- | | |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts | | |

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(Cost - \$162,761) - 37.4%

| | |
|---|--|
| ----- | |
| Short-Term Securities | |
| ----- | |
| 4,700 | Merrill Lynch Institutional Tax-Exempt Fund, 2.47% (n) (q) |
| ----- | |
| Total Short-Term Securities (Cost - \$4,700) - 1.0% | |
| ----- | |
| Total Investments (Cost - \$750,792*) - 171.8% | |
| Other Assets Less Liabilities - 1.8% | |
| Liability for Trust Certificates, Including Interest Expense Paya | |
| Preferred Stock, at Redemption Value - (55.9%) | |
| Net Assets Applicable to Common Stock - 100.0% | |

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

| | |
|-------------------------------|------------|
| Aggregate cost | \$ 671,945 |
| | ===== |
| Gross unrealized appreciation | \$ 23,136 |
| Gross unrealized depreciation | (5,252) |
| | ----- |
| Net unrealized appreciation | \$ 17,884 |
| | ===== |

- (a) AMBAC Insured.
- (b) Assured Guaranty Insured.
- (c) CIFG Insured.

BlackRock MuniYield Quality Fund, Inc.
 Schedule of Investments as of January 31, 2008 (Unaudited) (in Thousands)

- (d) Escrowed to maturity.
- (e) FGIC Insured.
- (f) FHLMC Collateralized.
- (g) FNMA/GNMA Collateralized.
- (h) FSA Insured.
- (i) 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.
- (j) MBIA Insured.
- (k) Prerefunded.
- (l) Radian Insured.
- (m) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- (n) Represents the current yield as of January 31, 2008.
- (o) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (p) XL Capital Insured.
- (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:

| | |
|-----|----------|
| Net | Dividend |
|-----|----------|

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| Affiliate | Activity | Income |
|--|-----------------|-------------------------|
| Merrill Lynch Institutional Tax-Exempt Fund | 3,692 | \$ 33 |
| o Forward interest rate swaps outstanding as of January 31, 2008 were as follows: | | |
| | Notional Amount | Unrealized Appreciation |
| Pay a fixed rate of 3.508% and receive a floating rate based on 1-week (SIFMA) Municipal Swap Index rate | | |
| Broker, JPMorgan Chase Expires April 2023 | \$ 20,000 | \$ 61 |

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/ Donald C. Burke

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

Date: March 24, 2008

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/ Donald C. Burke

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

Date: March 24, 2008

By: /s/ Neal J. Andrews

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

Date: March 24, 2008