

BLACKROCK MUNIYIELD QUALITY FUND INC  
Form N-Q  
March 27, 2012  
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 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 04/30/2012

Date of reporting period: 01/31/2012

Item 1 – Schedule of Investments

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Schedule of Investments January 31, 2012 (Unaudited)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Alabama 2.0%</b>  |              |              |
| County of Jefferson Alabama, RB,<br>Series A, 4.75%, 1/01/25   | \$ 3,000     | \$ 2,646,600 |
| University of Alabama, RB, Series A<br>(NPFGC), 5.00%, 7/01/34   | 7,125        | 7,405,654    |
|  |              | 10,052,254   |
| <b>Alaska 1.5%</b>   |              |              |
| Alaska Housing Finance Corp., RB,<br>General Housing, Series B (NPFGC),<br>5.25%, 12/01/30                                     | 600          | 622,014      |
| Alaska Industrial Development & Export<br>Authority, RB, Providence Health<br>Services, Series A, 5.50%, 10/01/41              | 1,400        | 1,576,484    |
| Borough of Matanuska-Susitna Alaska,<br>RB, Goose Creek Correctional Center<br>(AGC), 6.00%, 9/01/32                           | 4,425        | 5,214,155    |
|  |              | 7,412,653    |
| <b>Arizona 0.8%</b>  |              |              |
| Greater Arizona Development Authority,<br>RB, Series B (NPFGC), 5.00%,<br>8/01/35  | 1,600        | 1,686,608    |
| State of Arizona, COP, Department of<br>Administration, Series A (AGM):<br>5.00%, 10/01/27                                     | 1,850        | 2,098,547    |
| 5.25%, 10/01/28  | 250          | 286,233      |
|  |              | 4,071,388    |
| <b>California 15.6%</b>  |              |              |
| Alameda Corridor Transportation<br>Authority, Refunding RB, CAB,<br>Subordinate Lien, Series A (AMBAC),<br>5.45%, 10/01/25 (a) | 4,150        | 4,078,371    |
| Cabrillo Community College District, GO,<br>CAB, Election of 2004, Series B<br>(NPFGC) (b):<br>5.18%, 8/01/37                  | 3,250        | 809,673      |
| 4.87%, 8/01/38   | 7,405        | 1,734,843    |
| California Health Facilities Financing<br>Authority, Refunding RB:<br>St. Joseph Health System,<br>Series A, 5.75%, 7/01/39    | 775          | 849,811      |
| Sutter Health, Series B,<br>5.88%, 8/15/31   | 1,500        | 1,776,780    |
| California State University, RB,<br>Systemwide, Series A (NPFGC),<br>5.00%, 11/01/35   | 1,680        | 1,749,031    |
| Carlsbad Unified School District, GO,<br>Election of 2006, Series B, 6.00%,<br>5/01/34 (a)                                     | 5,000        | 3,727,900    |
| City of San Jose California, RB, Series A-1,<br>AMT, 5.75%, 3/01/34  | 1,150        | 1,270,612    |
| City of San Jose California, Refunding<br>RB, Series A, AMT (AMBAC), 5.50%,<br>3/01/32   | 5,100        | 5,398,044    |

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| Municipal Bonds   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>California (continued)</b>   |              |              |
| Coast Community College District<br>California, GO, Refunding, CAB,<br>Election of 2002, Series C (AGM),<br>5.00%, 8/01/31 (a)              | \$ 2,800     | \$ 2,756,992 |
| El Monte Union High School District<br>California, GO, Election of 2002,<br>Series C (AGM), 5.25%, 6/01/28                                  | 6,110        | 6,941,876    |
| Grossmont-Cuyamaca Community<br>College District California, GO,<br>Refunding, CAB, Election of 2002,<br>Series C (AGC), 5.80%, 8/01/30 (b) | 10,030       | 4,073,885    |
| Hartnell Community College District<br>California, GO, CAB, Election of 2002,<br>Series D, 7.00%, 8/01/34 (a)                               | 4,125        | 2,745,435    |
| Los Angeles Community College District<br>California, GO, Election of 2001,<br>Series A (NPFGC), 5.00%, 8/01/32                             | 770          | 842,234      |
| Metropolitan Water District of Southern<br>California, RB, Series B-1 (NPFGC):<br>5.00%, 10/01/29   | 3,465        | 3,666,351    |
| 5.00%, 10/01/36   | 2,035        | 2,144,605    |
| Mount Diablo Unified School District<br>California, GO, Election of 2002<br>(NPFGC), 5.00%, 7/01/27   | 525          | 547,974      |
| Orange County Sanitation District, COP,<br>Series B (AGM):<br>5.00%, 2/01/30  | 3,500        | 3,875,900    |
| 5.00%, 2/01/31  | 1,200        | 1,322,376    |
| Poway Unified School District, GO, CAB,<br>School Facilities Improvement,<br>Election of 2007-1, 6.27%,<br>8/01/36 (b)                      | 5,000        | 1,418,100    |
| San Bernardino Community College<br>District California, GO, CAB, Election of<br>2008, Series B, 6.42%, 8/01/34 (a)                         | 10,000       | 7,570,600    |
| San Diego County Water Authority, COP,<br>Refunding, Series 2008-A (AGM),<br>5.00%, 5/01/38   | 3,000        | 3,231,300    |
| San Diego Unified School District<br>California, GO, CAB, Election of 2008,<br>Series C, 6.84%, 7/01/38 (b)                                 | 2,200        | 571,252      |
| San Joaquin County Transportation<br>Authority, RB, Limited Tax, Measure K,<br>Series A, 6.00%, 3/01/36                                     | 900          | 1,080,738    |
| San Jose Unified School District Santa<br>Clara County California, GO, Election<br>of 2002, Series B (NPFGC), 5.00%,<br>8/01/29             | 2,825        | 3,041,593    |
| San Marcos Unified School District, GO,<br>Election of 2010, Series A:<br>5.00%, 8/01/34  | 900          | 999,090      |
| 5.00%, 8/01/38  | 760          | 833,431      |
| State of California, GO:<br>5.13%, 6/01/27  | 30           | 30,069       |
| 5.50%, 4/01/28  | 5            | 5,337        |



## Schedule of Investments (continued)

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

|  | Par<br>(000)   | Value                  |
|--|----------------|------------------------|
| <b>Municipal Bonds</b>   |                |                        |
| <b>California (concluded)</b>  |                |                        |
| Tamalpais Union High School District<br>California, GO, Election of 2001<br>(AGM), 5.00%, 8/01/13 (c)  | \$ 1,950       | \$ 2,087,768           |
| Ventura County Community College<br>District, GO, Election of 2002, Series B<br>(NPFGC), 5.00%, 8/01/30                                      | 1,825          | 2,017,665              |
| Yosemite Community College District,<br>GO, CAB, Election of 2004, Series D,<br>6.55%, 8/01/36 (b)   | 15,000         | 4,234,050              |
|  |                | 77,433,686             |
| <b>Colorado 1.4%</b>   |                |                        |
| Colorado Health Facilities Authority, RB,<br>Covenant Retirement Communities,<br>Series A (Radian), 5.50%, 12/01/27                          | 1,600          | 1,617,024              |
| E-470 Public Highway Authority Colorado,<br>Refunding RB, CAB, Series B (NPFGC),<br>5.63%, 9/01/29 (b)                                       | 9,000          | 3,188,160              |
| Regional Transportation District, COP,<br>Series A, 5.38%, 6/01/31   | 1,885          | 2,122,510              |
|  |                | 6,927,694              |
| <b>Florida 11.3%</b>   |                |                        |
| County of Duval Florida, COP, Master<br>Lease Program (AGM), 5.00%,<br>7/01/33   | 6,750          | 7,173,562              |
| County of Lee Florida, Refunding ARB,<br>Series A, AMT:<br>5.63%, 10/01/26<br>5.38%, 10/01/32  | 1,280<br>1,700 | 1,421,376<br>1,836,204 |
| County of Miami-Dade Florida, GO,<br>Building Better Communities Program,<br>Series B, 6.38%, 7/01/28  | 3,300          | 4,003,956              |
| County of Miami-Dade Florida, RB:<br>Series A, 5.50%, 10/01/36   | 6,490          | 7,194,749              |
| Water and Sewer System (AGM),<br>5.00%, 10/01/39   | 4,000          | 4,354,480              |
| County of Miami-Dade Florida,<br>Refunding RB, AMT (AGC), 5.00%,<br>10/01/40   | 8,200          | 8,402,540              |
| Florida Ports Financing Commission,<br>Refunding RB, State Transportation<br>Trust Fund, Series B, AMT:<br>5.13%, 6/01/27<br>5.38%, 10/01/29 | 1,395<br>1,900 | 1,588,403<br>2,163,188 |
| Florida State Department of<br>Environmental Protection, RB,<br>Series B (NPFGC), 5.00%, 7/01/27   | 1,350          | 1,508,450              |
| Highlands County Health Facilities<br>Authority, RB, Adventist Health<br>System/Sunbelt, Series B, 6.00%,<br>11/15/36 (d)                    | 1,250          | 1,430,200              |

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Hillsborough County Aviation Authority  
 Florida, RB, Series A, AMT (AGC),  
 5.38%, 10/01/33

2,700 2,877,795

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Florida (concluded)</b>   |              |              |
| Orange County School Board, COP,<br>Series A:  |              |              |
| (AGC), 5.50%, 8/01/34  | \$ 3,550     | \$ 3,952,889 |
| (NPFGC), 5.00%, 8/01/31  | 5,000        | 5,299,100    |
| Sarasota County Public Hospital District,<br>RB, Sarasota Memorial Hospital<br>Project, Series A, 5.63%, 7/01/39                     | 375          | 401,093      |
| South Florida Water Management<br>District, COP:   |              |              |
| (AGC), 5.00%, 10/01/22   | 700          | 782,103      |
| (AMBAC), 5.00%, 10/01/36   | 1,500        | 1,580,175    |
|  |              | 55,970,263   |
| <b>Georgia 0.9%</b>  |              |              |
| Burke County Development Authority,<br>RB, Oglethorpe Power, Vogtle Project,<br>Series C, 5.70%, 1/01/43                             | 3,150        | 3,390,345    |
| Gwinnett County Hospital Authority,<br>Refunding RB, Gwinnett Hospital<br>System, Series D (AGM), 5.50%,<br>7/01/41                  | 1,125        | 1,230,075    |
|  |              | 4,620,420    |
| <b>Illinois 20.2%</b>  |              |              |
| City of Chicago Illinois, ARB, General,<br>Third Lien, Series B-2, AMT:  |              |              |
| (AGM), 5.75%, 1/01/23  | 3,400        | 3,598,254    |
| (AGM), 5.75%, 1/01/24  | 4,000        | 4,220,920    |
| (Syncora), 6.00%, 1/01/29  | 3,300        | 3,515,391    |
| City of Chicago Illinois, Board of<br>Education, GO, Refunding, Chicago<br>School Reform Board, Series A<br>(NPFGC), 5.50%, 12/01/26 | 2,000        | 2,437,300    |
| City of Chicago Illinois, Board of<br>Education, GO, Series A, 5.50%,<br>12/01/39  | 3,180        | 3,603,194    |
| City of Chicago Illinois, GO, CAB, City<br>Colleges (NPFGC), 5.19%, 1/01/31 (b)  | 13,000       | 5,193,240    |
| City of Chicago Illinois, Park District, GO,<br>Harbor Facilities, Series C, 5.25%,<br>1/01/40                                       | 750          | 827,400      |
| City of Chicago Illinois, RB, Series A:<br>(AGC), 5.00%, 1/01/38   | 4,000        | 4,202,320    |
| O Hare International Airport,<br>General, Third Lien, 5.75%,<br>1/01/39  | 5,500        | 6,277,700    |
| Waterworks Revenue, Second Lien<br>(AMBAC), 5.00%, 11/01/36  | 1,500        | 1,551,750    |
| City of Chicago Illinois, Refunding ARB,<br>General, Third Lien, Series A-2, AMT<br>(AGM), 5.75%, 1/01/21                            | 2,665        | 2,835,853    |
| City of Chicago Illinois, Refunding GARB,<br>Third Lien, Series A, AMT (NPFGC):<br>5.75%, 1/01/21                                    | 5,500        | 5,516,775    |
| 5.38%, 1/01/32   | 5,000        | 5,006,300    |



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Schedule of Investments (continued)

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

|   | Par<br>(000) | Value       |
|---|--------------|-------------|
| <b>Municipal Bonds</b>  |              |             |
| <b>Illinois (concluded)</b>   |              |             |
| City of Chicago Illinois Transit Authority,<br>RB, Sales Tax Receipts, 5.25%,<br>12/01/36   | \$ 840       | \$ 939,120  |
| County of Cook Illinois, GO, Capital<br>Improvement, Series C (AMBAC),<br>5.50%, 11/15/12 (c)   | 5,080        | 5,291,684   |
| Illinois Finance Authority, RB, Carle<br>Foundation, Series A, 5.75%,<br>8/15/34  | 850          | 915,246     |
| Illinois HDA, RB, Housing Bonds, Liberty<br>Arms Senior Apartments, Series D,<br>AMT (AMBAC), 4.88%, 7/01/47                                | 2,800        | 2,774,212   |
| Illinois Sports Facilities Authority, RB,<br>State Tax Supported (AMBAC), 5.50%,<br>6/15/30   | 26,525       | 29,053,098  |
| Metropolitan Pier & Exposition Authority,<br>RB, CAB, McCormick Place Expansion<br>Project, Series A (NPFGC), 5.82%,<br>6/15/30 (b)         | 15,000       | 6,400,200   |
| Metropolitan Pier & Exposition Authority,<br>Refunding RB, CAB, McCormick Place<br>Expansion Project, Series B (AGM),<br>6.25%, 6/15/44 (b) | 4,625        | 798,552     |
| Railsplitter Tobacco Settlement<br>Authority, RB, 6.00%, 6/01/28  | 900          | 1,009,188   |
| Regional Transportation Authority, RB,<br>Series B (NPFGC), 5.75%, 6/01/33  | 3,200        | 4,084,416   |
|   |              | 100,052,113 |
| <b>Indiana 1.5%</b>   |              |             |
| Indiana Finance Authority, RB,<br>Wastewater Utility, First Lien, CWA<br>Authority, Series A, 5.25%, 10/01/38                               | 1,400        | 1,565,284   |
| Indiana Municipal Power Agency, RB:<br>Series A (NPFGC), 5.00%, 1/01/37   | 1,150        | 1,216,079   |
| Series B, 5.75%, 1/01/34  | 550          | 588,153     |
| Indianapolis Local Public Improvement<br>Bond Bank, Refunding RB,<br>Waterworks Project, Series A:<br>5.75%, 1/01/38                        | 1,300        | 1,468,051   |
| (AGC), 5.25%, 1/01/29   | 2,350        | 2,657,615   |
|   |              | 7,495,182   |
| <b>Iowa 3.5%</b>  |              |             |
| Iowa Finance Authority, RB, Series A<br>(AGC), 5.63%, 8/15/37   | 7,700        | 8,491,483   |
| Iowa Student Loan Liquidity Corp., RB,<br>Senior, Series A-2, AMT:<br>5.60%, 12/01/26   | 2,360        | 2,527,466   |
| 5.70%, 12/01/27   | 2,360        | 2,507,642   |
| 5.80%, 12/01/29   | 1,595        | 1,685,420   |
| 5.85%, 12/01/30   | 2,150        | 2,266,508   |



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17,478,519

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Municipal Bonds</b>  |              |              |
| <b>Louisiana 0.8%</b>   |              |              |
| Jefferson Parish Hospital Service District<br>No. 1, Refunding RB, Jefferson<br>Medical Center, Series A, 6.00%,<br>1/01/39       | \$ 900       | \$ 1,001,016 |
| Louisiana Public Facilities Authority,<br>Refunding RB, Christus Health,<br>Series B (AGC), 6.50%, 7/01/30                        | 1,800        | 2,125,476    |
| Parish of Saint John the Baptist<br>Louisiana, RB, Marathon Oil Corp.,<br>Series A, 5.13%, 6/01/37                                | 1,000        | 1,013,850    |
|   |              | 4,140,342    |
| <b>Massachusetts 2.7%</b>   |              |              |
| Massachusetts HFA, RB, AMT:<br>Rental Mortgage, Series C (AGM),<br>5.60%, 1/01/45   | 4,000        | 4,012,880    |
| S/F, Series 124, 5.00%,<br>12/01/31   | 2,770        | 2,816,148    |
| Massachusetts HFA, Refunding RB,<br>Series C, AMT:<br>5.00%, 12/01/30   | 3,000        | 3,069,600    |
| 5.35%, 12/01/42   | 1,525        | 1,603,004    |
| Massachusetts Water Resources<br>Authority, Refunding RB, General,<br>Series A (NPFGC), 5.00%, 8/01/34                            | 1,800        | 1,971,720    |
|   |              | 13,473,352   |
| <b>Michigan 10.7%</b>   |              |              |
| City of Detroit Michigan, Refunding RB:<br>Second Lien, Series E (BHAC),<br>5.75%, 7/01/31  | 8,300        | 9,446,479    |
| Series D (NPFGC), 5.00%, 7/01/28  | 3,500        | 3,603,145    |
| Series D (NPFGC), 5.00%, 7/01/33  | 1,000        | 1,021,800    |
| Kalamazoo Hospital Finance Authority,<br>RB, Bronson Methodist Hospital<br>(AGM), 5.25%, 5/15/36                                  | 575          | 623,559      |
| Lansing Board of Water & Light Utilities<br>System, RB, Series A, 5.50%,<br>7/01/41   | 2,500        | 2,902,450    |
| Michigan Higher Education Student<br>Loan Authority, Refunding RB, Student<br>Loan, Series XVII-G, AMT (AMBAC),<br>5.20%, 9/01/20 | 2,140        | 2,159,239    |
| Michigan State Building Authority,<br>Refunding RB, Facilities Program:<br>Series I-A, 5.38%, 10/15/36                            | 1,200        | 1,354,740    |
| Series I-A, 5.38%, 10/15/41   | 1,000        | 1,125,490    |
| Series II-A (AGM), 5.25%, 10/15/36  | 4,270        | 4,790,513    |
| Michigan State Finance Authority,<br>Refunding RB, Trinity Health, 5.00%,<br>12/01/39   | 8,100        | 8,590,374    |
| Michigan State HDA, RB, Series C, AMT,<br>5.50%, 12/01/28   | 1,455        | 1,527,226    |



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Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds</b>   |              |              |
| <b>Michigan (concluded)</b>  |              |              |
| Michigan Strategic Fund, Refunding RB,<br>Detroit Edison Co. Project, AMT<br>(Syncora):                      |              |              |
| Series A, 5.50%, 6/01/30   | \$ 1,700     | \$ 1,728,883 |
| Series C, 5.45%, 12/15/32  | 5,800        | 5,842,340    |
| Royal Oak Hospital Finance Authority<br>Michigan, Refunding RB, William<br>Beaumont Hospital, 8.25%, 9/01/39 | 3,510        | 4,340,536    |
| State of Michigan, RB, GAN (AGM),<br>5.25%, 9/15/26  | 3,350        | 3,754,110    |
|  |              | 52,810,884   |
| <b>Minnesota 0.7%</b>  |              |              |
| City of Minneapolis Minnesota,<br>Refunding RB, Series B (AGC), 6.50%,<br>11/15/38                           | 2,700        | 3,187,296    |
| <b>Nevada 3.2%</b>   |              |              |
| City of Carson City Nevada, RB, Carson-<br>Tahoe Hospital Project, Series A<br>(Radian), 5.50%, 9/01/33      | 2,900        | 2,981,983    |
| City of Las Vegas Nevada, GO, Limited<br>Tax, Performing Arts Center, 6.00%,<br>4/01/34                      | 1,150        | 1,341,877    |
| County of Clark Nevada, RB,<br>Subordinate Lien, Series A-2 (NPFGC):   |              |              |
| 5.00%, 7/01/30   | 2,000        | 2,074,520    |
| 5.00%, 7/01/36   | 9,350        | 9,595,531    |
|  |              | 15,993,911   |
| <b>New Jersey 4.9%</b>   |              |              |
| New Jersey EDA, RB:<br>Cigarette Tax (Radian), 5.50%,<br>6/15/31   | 1,285        | 1,331,980    |
| Motor Vehicle Surcharge, Series A<br>(NPFGC), 5.25%, 7/01/31   | 12,375       | 13,276,519   |
| New Jersey Higher Education Student<br>Assistance Authority, RB,<br>Series 1, AMT:                           |              |              |
| 5.50%, 12/01/25  | 800          | 883,096      |
| 5.75%, 12/01/27  | 375          | 414,780      |
| 5.75%, 12/01/28  | 400          | 441,692      |
| 5.88%, 12/01/33  | 1,980        | 2,187,642    |
| New Jersey Transportation Trust Fund<br>Authority, RB, Transportation System:                                |              |              |
| Series A (NPFGC), 5.75%, 6/15/25   | 2,000        | 2,608,560    |
| Series B, 5.25%, 6/15/36   | 2,585        | 2,908,513    |
|  |              | 24,052,782   |
| <b>New York 1.4%</b>   |              |              |
| Hudson New York Yards Infrastructure<br>Corp., RB, Series A, 5.75%, 2/15/47                                  | 1,000        | 1,130,010    |
| New York HFA, RB, Affordable Housing,<br>Series B, 5.30%, 11/01/37   | 3,350        | 3,465,341    |

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|  |                      |                         |
|--|----------------------|-------------------------|
| New York State Dormitory Authority,<br>ERB, Series B, 5.75%, 3/15/36   | 2,000                | 2,358,700<br>6,954,051  |
|  | <b>Par<br/>(000)</b> | <b>Value</b>            |
| <b>Municipal Bonds</b>   |                      |                         |
| <b>Ohio 0.5%</b>   |                      |                         |
| County of Lucas Ohio, Refunding RB,<br>Promedica Healthcare, Series A,<br>6.50%, 11/15/37                                      | \$ 725               | \$ 883,717              |
| Ohio Higher Educational Facility<br>Commission, Refunding RB, Summa<br>Health System, 2010 Project (AGC),<br>5.25%, 11/15/40   | 1,400                | 1,494,136<br>2,377,853  |
| <b>Pennsylvania 2.0%</b>   |                      |                         |
| Pennsylvania HFA, Refunding RB, S/F,<br>Series 99A, AMT, 5.25%, 10/01/32   | 2,000                | 2,059,840               |
| Pennsylvania Turnpike Commission, RB,<br>Subordinate, Special Motor License<br>Fund:<br>6.00%, 12/01/36                        | 775                  | 938,796                 |
| 5.50%, 12/01/41  | 6,000                | 6,909,660<br>9,908,296  |
| <b>Puerto Rico 4.0%</b>  |                      |                         |
| Puerto Rico Sales Tax Financing Corp.,<br>RB:<br>First Sub-Series A, 6.38%,<br>8/01/39   | 4,700                | 5,486,733               |
| First Sub-Series A, 6.00%,<br>8/01/42  | 5,000                | 5,656,300               |
| First Sub-Series C, 5.50%,<br>8/01/40  | 1,630                | 1,797,303               |
| Puerto Rico Sales Tax Financing Corp.,<br>Refunding RB:<br>CAB, Series A (NPFGC), 5.71%,<br>8/01/41 (b)                        | 28,000               | 5,585,160               |
| First Sub-Series C, 6.00%,<br>8/01/39  | 1,050                | 1,203,321<br>19,728,817 |
| <b>South Carolina 0.6%</b>   |                      |                         |
| South Carolina Jobs-EDA, Refunding RB,<br>Palmetto Health, Series A (AGM),<br>6.50%, 8/01/39                                   | 320                  | 372,531                 |
| South Carolina Transportation<br>Infrastructure Bank, RB, Series A,<br>5.25%, 10/01/40   | 2,500                | 2,752,975<br>3,125,506  |
| <b>Tennessee 0.8%</b>  |                      |                         |
| Memphis Center City Revenue Finance<br>Corp., RB, Subordinate, Pyramid &<br>Pinch District, Series B (AGM), 5.25%,<br>11/01/30 | 3,520                | 4,000,022               |
| <b>Texas 9.9%</b>  |                      |                         |
| Bell County Health Facility Development<br>Corp. Texas, RB, Lutheran General<br>Health Care System, 6.50%,<br>7/01/19 (e)      | 1,000                | 1,268,410               |



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Schedule of Investments (continued)

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

|   | Par<br>(000)         | Value        |
|---|----------------------|--------------|
| <b>Municipal Bonds</b>  |                      |              |
| <b>Texas (concluded)</b>  |                      |              |
| City of Houston Texas, Refunding RB,<br>Combined, First Lien, Series A (AGC),<br>6.00%, 11/15/35                          | \$ 2,850             | \$ 3,434,877 |
| Comal ISD, GO, School Building (PSF-<br>GTD), 5.00%, 2/01/36  | 2,500                | 2,768,350    |
| Dallas-Fort Worth International Airport<br>Facilities Improvement Corp.,<br>Refunding RB, Joint Series A, AMT<br>(NPFGC): |                      |              |
| 5.88%, 11/01/17   | 1,125                | 1,129,129    |
| 5.88%, 11/01/18   | 1,315                | 1,319,826    |
| 5.88%, 11/01/19   | 1,465                | 1,469,732    |
| Lone Star College System, GO, 5.00%,<br>8/15/33   | 4,800                | 5,420,832    |
| Mansfield ISD Texas, GO, School<br>Building (PSF-GTD), 5.00%, 2/15/33   | 2,300                | 2,574,091    |
| North Texas Tollway Authority,<br>Refunding RB, First Tier:   |                      |              |
| Series A, 6.00%, 1/01/28  | 3,380                | 3,946,961    |
| System (NPFGC), 5.75%, 1/01/40  | 12,300               | 13,342,794   |
| Texas State Turnpike Authority, RB, First<br>Tier, Series A (AMBAC):  |                      |              |
| 5.75%, 8/15/38  | 7,200                | 7,334,136    |
| 5.00%, 8/15/42  | 5,045                | 5,049,137    |
|   |                      | 49,058,275   |
| <b>Utah 3.4%</b>  |                      |              |
| City of Salt Lake City Utah, Refunding<br>RB, IHC Hospitals Inc. (NPFGC),<br>6.30%, 2/15/15 (e)                           | 15,000               | 16,667,700   |
| <b>Vermont 0.0%</b>   |                      |              |
| Vermont HFA, Refunding RB, Multiple<br>Purpose, Series C, AMT (AGM), 5.50%,<br>11/01/38 (d)                               | 70                   | 73,269       |
| <b>Washington 1.0%</b>  |                      |              |
| Central Puget Sound Regional Transit<br>Authority, RB, Series A,<br>5.00%, 11/01/36                                       | 2,000                | 2,182,120    |
| Washington Health Care Facilities<br>Authority, RB, Providence Health &<br>Services, Series A:                            |                      |              |
| 5.00%, 10/01/39   | 1,525                | 1,619,352    |
| 5.25%, 10/01/39   | 850                  | 920,278      |
|   |                      | 4,721,750    |
| <b>Wisconsin 0.8%</b>   |                      |              |
| Wisconsin Health & Educational<br>Facilities Authority, RB, Ascension<br>Health Senior Credit Group, 5.00%,<br>11/15/33   | 1,850                | 2,007,454    |
|   | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Municipal Bonds</b>  |                      |              |

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**Wisconsin (concluded)**

|  |    |       |    |                              |
|--|----|-------|----|------------------------------|
| Wisconsin Health & Educational<br>Facilities Authority, Refunding RB,<br>Froedtert & Community Health,<br>5.25%, 4/01/39 | \$ | 2,000 | \$ | 2,128,680                    |
|  |    |       |    | 4,136,134                    |
| <b>Total Municipal Bonds</b>   |    |       |    | <b>106.1%</b><br>525,924,412 |

**Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (f)**

**Arizona 2.3%**

|   |  |       |  |            |
|---|--|-------|--|------------|
| Phoenix Civic Improvement Corp., RB,<br>Subordinate, Civic Plaza Expansion<br>Project, Series A, 5.00%, 7/01/37 |  | 8,000 |  | 8,317,680  |
| Salt River Project Agricultural<br>Improvement & Power District, RB,<br>Series A, 5.00%, 1/01/38                |  | 2,750 |  | 3,011,718  |
|   |  |       |  | 11,329,398 |

**California 5.4%**

|  |  |       |  |            |
|--|--|-------|--|------------|
| California State University, Refunding<br>RB, Systemwide, Series A (AGM),<br>5.00%, 11/01/32                     |  | 7,000 |  | 7,969,500  |
| Los Angeles Community College District<br>California, GO, Series A:<br>Election of 2001 (AGM), 5.00%,<br>8/01/32 |  | 6,120 |  | 6,694,117  |
| Election of 2008, 6.00%,<br>8/01/33  |  | 2,639 |  | 3,172,875  |
| Orange County Sanitation District, COP<br>(NPFGC), 5.00%, 2/01/33  |  | 2,749 |  | 2,829,423  |
| San Diego Community College District<br>California, GO, Election of 2002,<br>5.25%, 8/01/33                      |  | 509   |  | 583,748    |
| San Diego County Water Authority, COP,<br>Refunding, Series 2008-A (AGM),<br>5.00%, 5/01/33                      |  | 5,170 |  | 5,592,647  |
|  |  |       |  | 26,842,310 |

**Colorado 0.3%**

|   |  |       |  |           |
|---|--|-------|--|-----------|
| Colorado Health Facilities Authority,<br>Refunding RB, Catholic Health,<br>Series A, 5.50%, 7/01/34 |  | 1,220 |  | 1,350,094 |
|---|--|-------|--|-----------|

**District of Columbia 0.3%**

|  |  |       |  |           |
|--|--|-------|--|-----------|
| District of Columbia, RB, Series A,<br>5.50%, 12/01/30 |  | 1,320 |  | 1,595,906 |
|--|--|-------|--|-----------|

**Florida 11.1%**

|   |  |       |  |           |
|---|--|-------|--|-----------|
| City of Tallahassee Florida, Energy<br>System, RB (NPFGC):<br>5.00%, 10/01/32       |  | 2,700 |  | 2,904,984 |
| 5.00%, 10/01/37   |  | 6,000 |  | 6,417,300 |
| County of Miami-Dade Florida, RB,<br>Water & Sewer System (AGM), 5.00%,<br>10/01/39 |  | 8,728 |  | 9,501,618 |

## Schedule of Investments (continued)

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

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (f)</b>                    |              |              |
| <b>Florida (concluded)</b>   |              |              |
| County of Seminole Florida, Refunding<br>RB, Series B (NPFGC), 5.25%,<br>10/01/31            | \$ 6,300     | \$ 7,796,250 |
| Florida State Board of Education, GO,<br>Series D, 5.00%, 6/01/37                            | 2,399        | 2,614,548    |
| Highlands County Health Facilities<br>Authority, RB, Adventist, Series C,<br>5.25%, 11/15/36 | 5,990        | 6,299,683    |
| Jacksonville Electric Authority Florida,<br>RB, Sub-Series A, 5.63%, 10/01/32                | 4,310        | 4,882,756    |
| Miami-Dade County School Board, COP,<br>Refunding, Series B (AGC), 5.25%,<br>5/01/27         | 11,350       | 12,666,827   |
| Orange County School Board, COP,<br>Series A (NPFGC), 5.00%, 8/01/30                         | 2,000        | 2,125,620    |
|  |              | 55,209,586   |
| <b>Georgia 2.1%</b>  |              |              |
| Augusta-Richmond County Georgia, RB,<br>Water & Sewer (AGM), 5.25%,<br>10/01/34              | 5,000        | 5,427,950    |
| City of Atlanta Georgia, RB, General,<br>Subordinate Lien, Series C (AGM),<br>5.00%, 1/01/33 | 5,000        | 5,206,400    |
|  |              | 10,634,350   |
| <b>Hawaii 1.3%</b>   |              |              |
| Honolulu City & County Board of Water<br>Supply, RB, Series A (NPFGC), 5.00%,<br>7/01/33     | 6,000        | 6,253,320    |
| <b>Illinois 5.2%</b>   |              |              |
| City of Chicago Illinois, RB, Sales Tax<br>Revenue, Series A, 5.00%, 1/01/41                 | 1,140        | 1,262,048    |
| City of Chicago Illinois, Refunding RB,<br>Second Lien (AGM), 5.25%, 11/01/33                | 14,429       | 15,672,318   |
| Illinois State Toll Highway Authority, RB,<br>Series B, 5.50%, 1/01/33                       | 2,000        | 2,201,593    |
| State of Illinois, RB, Build Illinois,<br>Series B, 5.25%, 6/15/34                           | 6,198        | 6,863,363    |
|  |              | 25,999,322   |
| <b>Massachusetts 3.7%</b>  |              |              |
| Massachusetts School Building<br>Authority, RB, Series A (AGM), 5.00%,<br>8/15/30            | 16,500       | 18,422,157   |
| <b>Nevada 1.7%</b>   |              |              |
| City of Las Vegas Nevada, GO, Limited<br>Tax, Performing Arts Center, 6.00%,<br>4/01/39      | 5,007        | 5,784,175    |
| Clark County Water Reclamation<br>District, GO, Series B, 5.75%,<br>7/01/34                  | 2,429        | 2,882,900    |
|  |              | 8,667,075    |



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| Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (f)   | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>New York 6.6%</b>   |              |              |
| Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28 | \$ 2,007     | \$ 2,285,553 |
| New York City Municipal Water Finance Authority, RB, Fiscal 2009, Series A, 5.75%, 6/15/40                             | 3,509        | 4,100,518    |
| New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36  | 1,545        | 1,822,096    |
| New York State Thruway Authority, RB, Series G (AGM), 5.00%, 1/01/32   | 10,000       | 10,932,100   |
| Port Authority of New York & New Jersey, RB, Consolidated, Series 169, 5.00%, 10/15/34                                 | 10,830       | 11,766,037   |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34   | 1,500        | 1,711,770    |
|  |              | 32,618,074   |
| <b>North Carolina 0.5%</b>   |              |              |
| North Carolina HFA, RB, Series 31-A, AMT, 5.25%, 7/01/38   | 2,359        | 2,411,321    |
| <b>Ohio 0.2%</b>   |              |              |
| State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34   | 780          | 862,961      |
| <b>South Carolina 1.1%</b>   |              |              |
| South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38                             | 4,695        | 5,338,309    |
| <b>South Dakota 0.8%</b>   |              |              |
| South Dakota HDA, RB, Homeownership Mortgage, Series K, 5.05%, 5/01/36   | 4,000        | 4,033,640    |
| <b>Texas 2.9%</b>  |              |              |
| Clear Creek ISD Texas, GO, Refunding, School Building (PSF-GTD), 5.00%, 2/15/33  | 5,900        | 6,954,655    |
| Cypress-Fairbanks ISD, GO, Refunding, Schoolhouse (PSF-GTD), 5.00%, 2/15/32  | 4,750        | 5,342,420    |
| North East ISD Texas, GO, School Building, Series A (PSF-GTD), 5.00%, 8/01/37  | 2,000        | 2,212,100    |
|  |              | 14,509,175   |
| <b>Virginia 0.1%</b>   |              |              |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35                  | 450          | 503,123      |
| <b>Washington 0.6%</b>   |              |              |
| Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32                                    | 2,504        | 2,776,939    |

Schedule of Investments (continued)

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

**Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (f)**

**Total Municipal Bonds Transferred to Tender Option**

**Bond (TOB) Trusts 46.2%** \$ 229,357,060

**Total Long-Term Investments**

**(Cost \$694,434,602) 152.3%** 755,281,472

**Short-Term Securities**

|  | Shares     |    | Value      |
|--|------------|----|------------|
| FBI Institutional Tax-Exempt Fund,<br>0.01% (g)(h) | 17,408,812 | \$ | 17,408,812 |

**Total Short-Term Securities**

**(Cost \$17,408,812) 3.5%** 17,408,812

**Total Investments (Cost - \$711,843,414\*) 155.8%** 772,690,284

**Other Assets Less Liabilities 1.6%** 8,043,497

**Liability for TOB Trust Certificates, Including Interest**

**Expense and Fees Payable (21.8)%** (108,202,190)

**VRDP Shares, at Redemption Value (35.6)%** (176,600,000)

**Net Assets Applicable to Common Shareholders 100.0%** \$ 495,931,591

\* As of January 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               |                |
|-------------------------------|----------------|
| Tax cost                      | \$ 603,814,527 |
| Gross unrealized appreciation | \$ 61,826,480  |
| Gross unrealized depreciation | (1,106,151)    |
| Net unrealized appreciation   | \$ 60,720,329  |

- (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 is as of report date.
- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) 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.
- (d) Variable rate security. Rate shown is as of report date.
- (e) Security is collateralized by Municipal or US Treasury obligations.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction.
- (g) 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<br>Held at<br>April 30, 2011 | Net<br>Activity | Shares<br>Held at<br>January 31, | Income |
|-----------|-------------------------------------|-----------------|----------------------------------|--------|
|-----------|-------------------------------------|-----------------|----------------------------------|--------|

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|                                   |           |            |             |    |       |
|-----------------------------------|-----------|------------|-------------|----|-------|
|                                   |           |            | <b>2012</b> |    |       |
| FFI Institutional Tax-Exempt Fund | 4,098,484 | 13,310,328 | 17,408,812  | \$ | 1,708 |

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

**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              |
| COP     | Certificates of Participation           |
| EDA     | Economic Development Authority          |
| ERB     | Education Revenue Bonds                 |
| GAN     | Grant Anticipation Notes                |
| GARB    | General Airport Revenue Bonds           |
| 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        |
| Radian  | Radian Financial Guaranty               |
| RB      | Revenue Bonds                           |
| S/F     | Single-Family                           |
| Syncora | Syncora Guarantee                       |

Financial futures contracts sold as of January 31, 2012 were as follows:

| Contracts | Issue                    | Exchange               | Expiration | Notional Value | Unrealized Depreciation |
|-----------|--------------------------|------------------------|------------|----------------|-------------------------|
| 60        | 10-Year US Treasury Note | Chicago Board of Trade | March 2012 | \$ 7,935,000   | \$ (105,114)            |

BLACKROCK MUNIYIELD QUALITY FUND, INC.

JANUARY 31, 2012

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## Schedule of Investments (concluded)

## BlackRock MuniYield Quality Fund, Inc. (MQY)

Fair Value Measurements - Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 unadjusted 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 and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

The following tables summarize the inputs used as of January 31, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs                   | Level 1       | Level 2        | Level 3 | Total          |
|------------------------------------|---------------|----------------|---------|----------------|
| <b>Assets:</b>                     |               |                |         |                |
| Investments:                       |               |                |         |                |
| Long-Term Investments <sup>1</sup> |               | \$ 755,281,472 |         | \$ 755,281,472 |
| Short-Term Securities              | \$ 17,408,812 |                |         | 17,408,812     |
| <b>Total</b>                       | \$ 17,408,812 | \$ 755,281,472 |         | \$ 772,690,284 |

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

| Valuation Inputs                              | Level 1      | Level 2 | Level 3 | Total        |
|---|--------------|---------|---------|--------------|
| Derivative Financial Instruments <sup>2</sup> |              |         |         |              |
| <b>Liabilities:</b>                           |              |         |         |              |
| Interest rate contracts                       | \$ (105,114) |         |         | \$ (105,114) |

<sup>2</sup> Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

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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 23, 2012

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 23, 2012

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

Date: March 23, 2012

