MUNIYIELD QUALITY FUND II INC
Form N-CSR
January 06, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-6728

Name of Fund: MuniYield Quality Fund II, Inc.

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

Name and address of agent for service: Terry K. Glenn, President, MuniYield Quality Fund II, 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: (609) 282-2800

Date of fiscal year end: 10/31/03

Date of reporting period: 11/01/02 - 10/31/03

Item 1 - Attach shareholder report

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MuniYield Quality
Fund II, Inc.

Annual Report
October 31, 2003

[LOGO] Merrill Lynch Investment Managers

MuniYield Quality Fund II, Inc.

The Benefits and Risks of Leveraging

MuniYield Quality Fund II, Inc. utilizes leveraging to seek to enhance the yield and net asset value of its Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, the Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of $100 million and the issuance of Preferred Stock for an additional $50 million, creating a total value of $150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the $50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of $150 million earns the income based on long-term interest rates. Of course, increases in short-term interest rates would reduce (and even eliminate) the dividends on the Common Stock.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As a part of its investment strategy, the Fund may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Fund to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed-rate, tax-exempt securities. To the extent the Fund invests in inverse floaters, the market value of the Fund's portfolio and the net asset value of the Fund's shares may also be more volatile than if the Fund did not invest in these securities. As of October 31, 2003, the percentage of the Fund's total net assets invested in inverse floaters was 12.89%.

Swap Agreements

The Fund may also invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities.

A Letter From the President

Dear Shareholder

As 2003 draws to a close, it seems appropriate to reflect on what has been a meaningful year in many respects. We saw the beginning and the end of all-out war in Iraq, equity market uncertainty turned to strength and sub par gross domestic product growth of 1.4% in the first quarter of 2003 grew to an extraordinary 8.2% in the third quarter. Amid the good news, fixed income investments, which had become the asset class of choice during the preceding three-year equity market decline, faced new challenges.

During 2003, municipal bond yields rose and fell in reaction to geopolitical events, equity market performance, economic activity and employment figures. By the end of October, long-term municipal revenue bond yields were slightly higher than they were one year earlier, at 5.24% as measured by the Bond Buyer Revenue Bond Index. With many state deficits at record levels, municipalities issued nearly $400 billion in new long-term tax-exempt bonds during the 12-month period ended October 31, 2003. The availability of bonds, together with attractive yield ratios relative to U.S. Treasury issues, made municipal bonds a popular fixed income investment alternative.

Throughout the year, our portfolio managers continued to work diligently to deliver on our commitment to provide superior performance within reasonable expectations for risk and return. This included striving to outperform our peers and the market indexes. With that said, remember that the advice and guidance of a skilled financial advisor often can mean the difference between successful and unsuccessful investing. A financial professional can help you choose those investments that will best serve you as you plan for your financial future.

Finally, I am proud to premiere a new look to our shareholder communications. Our portfolio manager commentaries have been trimmed and organized in such a way that you can get the information you need at a glance, in plain language. Today's markets are confusing enough. We want to help you put it all in perspective. The report's new size also allows us certain mailing efficiencies. Any cost savings in production or postage are passed on to the Fund and, ultimately, to Fund shareholders.

We thank you for trusting Merrill Lynch Investment Managers with your investment assets, and we look forward to serving you in the months and years ahead.

Sincerely,

/s/ Terry K. Glenn

Terry K. Glenn
President and Director

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A Discussion With Your Fund's Portfolio Manager

The Fund outperformed its comparable Lipper category for the fiscal year and was effectively able to enhance yield while preserving net asset value in a volatile interest rate environment.

Describe the market environment relative to municipal bonds during the fiscal year.

At the end of October, long-term tax-exempt bond yields were 90% - 95% of comparable U.S. Treasury securities, substantially exceeding their historical average of 85% - 88%. Considering their tax-free status, this made long-term municipal bonds an attractive investment alternative during the past 12 months.

Long-term U.S. Treasury bond yields declined throughout most of the first seven months of the fiscal year, while bond prices -- which move in the opposite direction of yields -- rose in response to weak equity markets, concerns about a growing conflict in Iraq and continued sub par U.S. economic growth. The Federal Reserve Board continued to lower short-term interest rates to stimulate business and consumer economic activity. Bond yields reversed course in July and August, rising sharply as economic conditions began to improve and as most analysts agreed the Federal Reserve Board had finished lowering interest rates. In mid-August, U.S. Treasury bond yields reached 5.45%, their highest level during the period, before again moving lower for the remainder of the fiscal year. At the end of the 12-month period, long-term U.S. Treasury bond yields were 5.13%, 15 basis points (.15%) higher than a year earlier. The relatively modest yield increase year-over-year masks the considerable month-to-month volatility in interest rates during the period.

Long-term tax-exempt bond yields also rose from year-ago levels, although to a lesser extent than U.S. Treasury bonds. Yield movements were less volatile than those experienced by U.S. Treasury issues, because municipal bond prices typically are less sensitive to short-term economic and geopolitical pressures. By the end of October, long-term municipal revenue bond yields stood at 5.24%, a small increase compared to the previous year. Yields for long-term Aaa-rated tax-exempt bonds (the highest rated) declined 10 basis points during the past year. The decline largely reflected investors' growing demand for high-quality bonds, which provided valuable stability in an uncertain market.

The municipal market's outperformance of the U.S. Treasury market was especially impressive given the dramatic increase in new bond issuance during the fiscal year. State and local governments took advantage of historically low interest rates to finance existing infrastructure needs and refinance outstanding high-interest-rate debt. During the past 12 months, municipalities issued nearly $400 billion in new securities, an increase of more than 12% compared to last year's issuance. More recently, however, new municipal bond issuance slowed as tax-exempt bond yields rose, making borrowing more expensive. Less than $90 billion in long-term tax-exempt bonds was underwritten during the period's last three months, a decline of nearly 10% versus the same three months of 2002. This decline in supply helped support the tax-exempt market's recent performance.

How did the Fund perform during the fiscal year in light of the existing market conditions?

For the year ended October 31, 2003, the Common Stock of MuniYield Quality Fund II, Inc. had a net annualized yield of 6.13%, based on a year-end per share net asset value of $13.44 and $.824 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +8.28%, based on a change in per share net asset value from $13.27 to $13.44, and assuming reinvestment of $.822 per share ordinary income dividends. During the year, the Fund was able to generate an above-average tax-exempt yield for our shareholders.

For the six-month period ended October 31, 2003, the total investment return on the Fund's Common Stock was +1.64%, based on a change in per share net asset value from $13.67 to $13.44, and assuming reinvestment of $.414 per share ordinary income dividends.

For the six-month period ended October 31, 2003, the Fund's Auction Market Preferred Stock had an average yield of .95% for Series A, .93% for Series B and ..82% for Series C.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of the Financial Statements included in this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment return based on changes in the Fund's net asset value.

The Fund's return, based on net asset value, outperformed its comparable Lipper category of Insured Municipal Debt Funds (Leveraged), which had an average return of +6.72% for the 12-month period ended October 31, 2003. The Fund's strong performance is attributed to several factors, including favorable security selection, a strategic approach to market positioning during a period of particularly volatile yields and the prerefunding of several holdings. When municipal bonds are prerefunded, they are essentially refinanced ahead of their maturity date. The proceeds from the refinancing are typically used to purchase government-backed debt. This is then pledged to pay off the original debt at an earlier call date. Because of the steepness of the yield curve during the period, the Fund's prerefunded positions resulted in strong price appreciation.

What changes were made to the portfolio during the fiscal year?

Changes to the portfolio during the period generally followed three themes. First, new purchases were made further out on the municipal yield curve, generally in the 20-year - 25-year range. These maturities were favored because the municipal yield curve flattened out past this range, meaning there was no significant yield to be gained. We also continued to favor premium-coupon bonds when making new purchases. Second, given their heavy supply, we took the opportunity to purchase California municipal bonds at relatively inexpensive levels. The goal is to achieve relative outperformance on these bonds when conditions improve in the state and prices return to their historically higher levels -- that is, to buy low and sell high as supply dwindles and demand increases. The third and final change was a move to a more defensive market posture late in the period in recognition of stronger-than-anticipated economic data and a more favorable outlook. A defensive stance on interest rates should help us to protect the portfolio from any increase in interest rates.

As short-term interest rates moved to historic lows during the period, the cost of holding cash reserves would have been relatively high. Therefore, the Fund generally maintained its fully invested position throughout the period in an effort to enhance shareholder income.

Because short-term interest rates were low, the Fund's borrowing costs also moved to attractive levels of approximately 1%. These levels, in combination with a positively sloped tax-exempt yield curve, provided a generous income benefit to the Fund's Common Stock shareholder from the leveraging of Preferred Stock. Further material declines in short-term interest rates are not expected. We believe the Fund's borrowing costs should remain at relatively low levels for the foreseeable future. However, should the spread between short-term and long-term interest rates narrow, the benefits of leveraging will decline and, as a result, reduce the yield on the Fund's Common Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the portfolio's position at the close of the period?

The portfolio essentially remained fully invested in high-quality municipal bonds at the end of the period. We believe the Fund's fully invested position should continue to provide a material benefit to the Common Stock shareholder as short-term interest rates remain near their historic lows. We maintained our defensive market posture at the close of the period in recognition of improving economic conditions. Finally, we remained overweight in premium-coupon bonds and continued to favor maturities in the 20-year - 25-year range.

Michael A. Kalinoski
Vice President and Portfolio Manager

November 12, 2003

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Schedule of Investments (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Alabama--1.0%	AAA	NR*	$ 2,645	Birmingham, Alabama, Capital Improvement 5.55% due 8/01/2021 (e)
Alaska--0.5%	AAA	Aaa	1,400	Alaska State International Airports Reven 5.75% due 10/01/2019 (a)
California--13.2%	AAA	NR*	2,500	California Health Facilities Finance Auth (Kaiser Permanente), RIB, Series 26, 9.65
	AAA	Aaa	2,490	California State Department of Water Reso Revenue Bonds, Series A, 5.375% due 5/01/
				California State, GO, Refunding:
	AAA	Aaa	1,500	5.25% due 2/01/2022
	AAA	Aaa	1,780	5.25% due 2/01/2030 (i)
				California State, Various Purpose, GO:
	BBB	A3	2,750	5.25% due 11/01/2029
	BBB	A3	4,500	5.50% due 11/01/2033
				Golden State Tobacco Securitization Corpo Tobacco Settlement Revenue Bonds:
	BBB	Baa2	4,000	Series A-3, 7.875% due 6/01/2042
	BBB-	Baa1	1,000	Series B, 5.625% due 6/01/2033
	AAA	Aaa	1,300	Series B, 5.625% due 6/01/2033 (i)
	AAA	NR*	7,075	Series B, 5.625% due 6/01/2038
	BBB-	Baa1	2,500	Series B, 5.50% due 6/01/2043
	AA	NR*	1,500	Series B, 5.50% due 6/01/2043 (i)
	AA	Aa3	3,650	Sacramento County, California, Sanitation Authority Revenue Refunding Bonds, Trust Series A, 10.591% due 12/01/2019 (h)
	AAA	Aaa	1,450	San Diego, California, Unified School Dis GO, Series D, 5.25% due 7/01/2024 (b)
Colorado--12.1%	AAA	NR*	11,020	Colorado Department of Transportation Rev Series 249, 10.63% due 6/15/2014 (a)(h)
				Colorado Health Facilities Authority Reve
	AA	Aa2	1,725	(Catholic Health Initiatives), 5.50
	AA	NR*	1,200	(Covenant Retirement Communities In 12/01/2027 (l)
	AA	NR*	675	(Covenant Retirement Communities In

			12/01/2033 (l)
			Colorado Housing and Finance Authority Re
			AMT (e):
AAA	NR*	875	(S/F Program), Series A-2, 6.45% du
AAA	Aaa	3,450	(S/F Program), Series B-2, 6.80% du
AAA	Aaa	625	(S/F Program), Series C-1, 7.65% du
AAA	Aaa	1,440	Series E-2, 7% due 2/01/2030
			Northwest Parkway, Colorado, Public Highw
			Appreciation Revenue Bonds, Senior Conver
AAA	Aaa	1,000	5.116%** due 6/15/2021
AAA	Aaa	11,900	5.378%** due 6/15/2025
AAA	Aaa	1,735	Northwest Parkway, Colorado, Public Highw Bonds, Series A, 5.50% due 6/15/2021 (a)

Portfolio Abbreviations

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

AMT	Alternative Minimum Tax (subject to)
DRIVERS	Derivative Inverse Tax-Exempt Receipts
GO	General Obligation Bonds
HDA	Housing Development Authority
IDA	Industrial Development Authority
IDB	Industrial Development Board
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Connecticut--4.3%				Connecticut State Regional Learning Educa Revenue Bonds (Office/Education Center Fa
	NR*	NR*	$ 430	7.50% due 2/01/2005
	NR*	NR*	1,100	7.75% due 2/01/2015
	AAA	NR*	9,325	Connecticut State Resource Recovery Autho Bonds, DRIVERS, Series 187, 9.68% due 11/
Georgia--2.9%	AAA	Aaa	7,850	Atlanta, Georgia, Airport Revenue Refundi 5.875% due 1/01/2017 (b)
Illinois--18.9%	AAA	Aaa	3,250	Chicago, Illinois, Board of Education, GO Project), Series A, 5.25% due 12/01/2030
	AAA	Aaa	3,500	Chicago, Illinois, Gas Supply Revenue Ref Gas, Light & Coke), Series A, 6.10% due 6
				Chicago, Illinois, O'Hare International A Bonds, Third Lien, AMT, Series B-2:
	AAA	Aaa	5,200	5.75% due 1/01/2023 (c)
	AAA	Aaa	2,200	6% due 1/01/2029 (i)

	AAA	Aaa	2,830	Chicago, Illinois, Park District, GO, Ref due 1/01/2021 (b)
	AAA	Aaa	3,000	Cook County, Illinois, Capital Improvemen due 11/15/2026 (a)
	AAA	Aaa	10,000	Illinois Regional Transportation Authorit due 7/01/2026 (e)
	AAA	Aaa	15,100	Illinois Sports Facilities Authority Reve due 6/15/2030 (a)
	AAA	Aaa	7,000	Illinois State, GO, First Series, 5.625%
	AAA	NR*	3,625	Metropolitan Pier and Exposition Authorit State Tax Revenue Refunding Bonds, DRIVER due 6/15/2023 (e)(h)
Indiana--1.0%	AAA	NR*	2,675	Indiana Bond Bank Revenue Bonds, Guarante due 2/01/2017 (a)
Kansas--3.6%	AAA	NR*	3,745	Sedgwick and Shawnee Counties, Kansas, S/ Bonds, AMT, Series A-2, 7.60% due 12/01/2
	AAA	Aaa	2,855	Sedgwick and Shawnee Counties, Kansas, S/ Refunding Bonds, AMT, Series A-2, 6.45% d
	AAA	Aaa	3,300	Sedgwick and Shawnee Counties, Kansas, S/ Series A-1, 6.875% due 12/01/2026 (d)(e)
Kentucky--1.0%	BBB	Baa2	3,000	Perry County, Kentucky, Solid Waste Dispo International Project), AMT, 7% due 6/01/
Louisiana--4.9%	AAA	Aaa	3,665	Jefferson Parish, Louisiana, Home Mortgag Revenue Bonds, AMT, Series B-1, 6.65% due
	AAA	Aaa	3,900	Louisiana Local Government, Environmental Development Authority Revenue Bonds (Capi Equipment Acquisition), Series A, 6.30% d
	AAA	Aaa	4,650	New Orleans, Louisiana, Ernest N. Morial Special Tax, Sub-Series A, 5.25% due 7/15
	AAA	Aaa	1,300	Terrebonne Parish, Louisiana, Hospital Se Hospital Revenue Bonds (Terrebonne Genera Project), 5.50% due 4/01/2033 (a)
Massachusetts--1.7%				Massachusetts State Health and Educationa Revenue Refunding Bonds (New England Memo Series B (f):
	NR*	Ca	1,907	6% due 7/01/2008
	NR*	Ca	3,317	6.125% due 7/01/2013
				Massachusetts State Port Authority, Speci Bonds (Delta Air Lines Inc. Project), AMT
	AAA	Aaa	2,900	5.50% due 1/01/2016
	AAA	Aaa	1,775	5.50% due 1/01/2019
Michigan--3.9%	AAA	NR*	1,300	Michigan Higher Education Student Loan Au Revenue Refunding Bonds, AMT, Series XVII 9/01/2020 (a)
	AAA	Aaa	2,685	Michigan State, HDA, Revenue Refunding Bo due 12/01/2015 (c)(j)

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Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Michigan (concluded)				Michigan State Strategic Fund, Limited Ob Refunding Bonds (Detroit Edison Company P
	AAA	Aaa	$ 2,450	5.45% due 9/01/2029
	AAA	Aaa	1,000	Series A, 5.50% due 6/01/2030
	AAA	Aaa	3,900	Series C, 5.45% due 12/15/2032
Missouri--2.1%				Saint Louis County, Missouri, Pattonville (Missouri Direct Deposit Program) (b):
	AAA	Aaa	2,000	5.75% due 3/01/2015
	AAA	Aaa	2,000	5.75% due 3/01/2016
	AAA	Aaa	1,500	6% due 3/01/2019
Nevada--1.2%				Director of the State of Nevada, Departme Industry Revenue Bonds (Las Vegas Monorai First Tier (a):
	AAA	Aaa	250	5.625% due 1/01/2032
	AAA	Aaa	3,300	5.375% due 1/01/2040
New Jersey--4.8%	AAA	Aaa	5,000	Cape May County, New Jersey, Industrial P Financing Authority, Revenue Refunding Bo Electric Company Project), Series B, 7% d
	AAA	Aaa	5,000	Salem County, New Jersey, Industrial Poll Authority, Revenue Refunding Bonds (Publi Gas), RIB, Series 380, 11.17% due 6/01/20
	BBB	Baa2	3,800	Tobacco Settlement Financing Corporation Bonds, 6.75% due 6/01/2039
New Mexico--4.5%				New Mexico State Highway Commission, Tax Sub-Lien, Series A (c):
	AAA	Aaa	6,295	6% due 6/15/2014
	AAA	Aaa	5,495	6% due 6/15/2015
New York--12.3%	AAA	Aaa	500	Erie County, New York, IDA, School Facili Buffalo Project), 5.75% due 5/01/2023 (c)
	AAA	Aaa	9,280	Nassau Health Care Corporation, New York, Bonds, 5.75% due 8/01/2022 (c)
	AA+	Aa2	2,500	New York City, New York, City Transitiona Revenue Refunding Bonds, Future Tax Secur due 11/01/2024
				New York City, New York, GO:
	AAA	Aaa	4,000	Series D, 5.875% due 6/01/2021 (e)
	AAA	Aaa	1,000	Series E, 5.75% due 5/15/2018 (i)
	AAA	Aaa	8,000	New York State Dormitory Authority Revenu University Educational Facilities), 5.75%
	AAA	Aaa	1,000	New York State Mortgage Agency Revenue Bo 5.875% due 10/01/2015 (e)
	AAA	NR*	7,115	Tobacco Settlement Financing Corporation Bonds, Series A-1, 5.25% due 6/01/2022 (a
North Carolina--2.6%	BBB	Baa2	7,500	Martin County, North Carolina, Industrial Control Financing Authority Revenue Bonds Disposal--Weyerhaeuser Company), AMT, 6.8
Ohio--2.5%				Plain, Ohio, Local School District, GO, R
	NR*	Aaa	5,120	6% due 6/01/2011 (g)

	NR*	Aaa	1,170	6% due 12/01/2020
Pennsylvania--5.2%	AAA	Aaa	600	Allegheny County, Pennsylvania, Sanitatio Revenue Bonds, 5.50% due 12/01/2030 (e)
	NR*	Aaa	3,335	Delaware River Port Authority of Pennsylv Revenue Bonds, RIB, Series 396, 10.643% d
	AAA	Aaa	3,230	Philadelphia, Pennsylvania, Authority for Lease Revenue Bonds, Series B, 5.50% due
	AAA	Aaa	4,500	Philadelphia, Pennsylvania, School Distri due 8/01/2022 (b)
	AAA	Aaa	2,000	Washington County, Pennsylvania, Capital Bonds (Capital Projects and Equipment Pro 12/01/2029 (a)

8 MUNIYIELD QUALITY FUND II, INC. OCTOBER 31, 2003

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Rhode Island--1.4%	AAA	Aaa	$ 4,010	Rhode Island State Health and Educational Higher Education Facilities Revenue Bonds Island), Series A, 5.70% due 9/15/2024 (e
South Carolina--1.8%	AAA	NR*	2,250	South Carolina State Public Service Autho Bonds, DRIVERS, Series 277, 10.12% due 1/
	NR*	A1	2,500	Spartanburg County, South Carolina, Solid Facilities Revenue Bonds (BMW Project), A
Tennessee--2.7%	AAA	Aaa	7,365	Chattanooga, Tennessee, IDB, Lease Rent R Redevelopment Corporation), 5.875% due 10
Texas--13.6%	A+	Aa3	4,000	Austin, Texas, Convention Center Revenue Enterprises Inc.), Trust Certificates, Se 5.75% due 1/01/2032
	AAA	Aaa	2,730	Corpus Christi, Texas, Utility System Rev Series A, 6% due 7/15/2016 (c)
	AAA	Aaa	3,000	Dallas-Fort Worth, Texas, International A Refunding and Improvement Bonds, AMT, Ser 11/01/2031 (b)
				Dallas-Fort Worth, Texas, International A AMT:
	AAA	NR*	3,250	DRIVERS, Series 202, 10.60% due 11/
	AAA	Aaa	6,000	Series A, 5.375% due 11/01/2022 (c)
				Dickinson, Texas, Independent School Dist
	AAA	Aaa	1,180	6% due 2/15/2017
	AAA	Aaa	1,250	6% due 2/15/2018
	AA	NR*	4,000	Gregg County, Texas, Health Facilities De Hospital Revenue Bonds (Good Shepherd Med 6.875% due 10/01/2020 (l)
				Houston, Texas, Airport System, Revenue R Sub-Lien (c):
	AAA	Aaa	1,065	AMT, Series A, 5.625% due 7/01/2020
	AAA	Aaa	1,900	Series B, 5.50% due 7/01/2030
	A-	A3	3,500	Lower Colorado River Authority, Texas, PC

				Semiconductor), AMT, 6.375% due 4/01/2027
	AAA	Aaa	4,800	Texas State Turnpike Authority, Central T Revenue Bonds, First Tier, Series A, 5.75
	AAA	Aaa	1,000	University of Houston, Texas, University due 2/15/2030 (e)
Virginia--2.4%	AAA	Aaa	2,100	Halifax County, Virginia, IDA, Exempt Fac Bonds (Old Dominion Electric Cooperative due 6/01/2028 (a)
	BB	NR*	26,500	Pocahontas Parkway Association, Virginia, Senior-Series B, 5.875%** due 8/15/2024
Washington--10.1%	AAA	Aaa	2,550	Energy Northwest, Washington, Electric Re (Columbia Generating), Series B, 6% due 7
	AAA	Aaa	2,150	King County, Washington, Sewer Revenue Re 5.50% due 1/01/2027 (c)
	AAA	Aaa	7,470	Port Seattle, Washington, Revenue Bonds, due 2/01/2016 (e)
	AAA	Aaa	6,150	Seattle, Washington, Municipal Light and due 10/01/2019 (e)
	NR*	Aaa	4,500	Snohomish County, Washington, Arlington S 016, GO, 6.50% due 12/01/2015 (b)
	AAA	Aaa	4,250	Washington State, Various Purpose, GO, Se 7/01/2021 (c)

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Schedule of Investments (concluded) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Wisconsin--3.7%				Wisconsin State, GO:
	AAA	Aaa	$ 2,000	Series C, 5.55% due 5/01/2021 (e)
	AAA	Aaa	3,000	Series F, 5.50% due 5/01/2019 (c)
	AAA	Aaa	5,000	Wisconsin State Transportation Revenue Bo due 7/01/2015 (b)
Puerto Rico--4.0%	AAA	Aaa	5,000	Puerto Rico Commonwealth, Highway and Tra Transportation Revenue Bonds, Series B, 6
	NR*	Aaa	3,250	Puerto Rico Electric Power Authority, Pow Bonds, RIB, Series 449X, 9.72% due 7/01/2
	AAA	Aaa	2,500	Puerto Rico Municipal Finance Agency, GO, 8/01/2023 (c)
				Total Municipal Bonds (Cost--$416,016)--1

	Shares Held	Short-Term Securities

9,366 Merrill Lynch Institutional Tax-Exempt Fu

Total Short-Term Securities (Cost--$9,366

Total Investments (Cost--$425,382)--147.0%

Unrealized Depreciation on Forward Interest Rate Swaps***--(0.2%)

Other Assets Less Liabilities--3.1%

Preferred Stock, at Redemption Value--(49.9%)

Net Assets Applicable to Common Stock--100.0%

(a) AMBAC Insured.
(b) FGIC Insured.
(c) FSA Insured.
(d) GNMA Collateralized.
(e) MBIA Insured.
(f) Non-income producing security.
(g) Prerefunded.
(h) The interest rate is subject to change periodically and inversely based upon prevailing market rates. The interest rate shown is the rate in effect at October 31, 2003.
(i) XL Capital Insured.
(j) FHA Insured.
(k) FNMA/GNMA Collateralized.
(l) Radian Insured.
(m) Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in Section 2 (a)(3) of the Investment Company Act of 1940) are as follows:

(in Thousands)

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	6,109	$45

+ Ratings of issues shown are unaudited.
* Not Rated.
** Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.
*** Forward interest rate swaps entered into as of October 31, 2003 were as follows:

(in Thousands)

	Notional Amount	Unrealized Appreciation (Depreciation)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.55%		
Broker, J.P. Morgan Chase Bank Expires December 2023	$26,000	$(1,004)

Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.14%		
Broker, Morgan Stanley Capital Services, Inc. Expires December 2023	$19,000	353
Total		$ (651)

See Notes to Financial Statements.

Statement of Net Assets

As of October 31, 2003

Assets	
Investments, at value (identified cost--$425,381,878)	
Cash	
Receivables:	
Securities sold	$ 8,961,
Interest	8,184,
Dividends from affiliates	
Prepaid expenses	
Total assets	
Liabilities	
Unrealized depreciation on forward interest rate swaps	
Payables:	
Securities purchased	7,263,
Investment adviser	213,
Dividends to Common Stock shareholders	208,
Other affiliates	3,
Accrued expenses	
Total liabilities	
Preferred Stock	
Preferred Stock, at redemption value, par value $.05 per share (2,000 Series A Shares, 2,000 Series B Shares and 2,000 Series C Shares of AMPS* issued and outstanding at $25,000 per share liquidation preference)	
Net Assets Applicable to Common Stock	

Net assets applicable to Common Stock ....

Analysis of Net Assets Applicable to Common Stock

Common Stock, par value $.10 per share (22,366,930 shares issued and outstanding)	
Paid-in capital in excess of par	
Undistributed investment income--net	$ 5,204,
Accumulated realized capital losses on investments--net	(34,438,
Unrealized appreciation on investments--net	15,736,
Total accumulated losses--net	
Total--Equivalent to $13.44 net asset value per share of Common Stock (market price--$12.18)	

* Auction Market Preferred Stock.

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Statement of Operations

For the Year Ended October 31, 2003

Investment Income

Interest	
Dividends from affiliates	
Total income	

Expenses

Investment advisory fees	$ 2,265,
Commission fees	379,
Accounting services	151,
Transfer agent fees	68,
Professional fees	60,
Printing and shareholder reports	35,
Listing fees	28,
Custodian fees	26,
Directors' fees and expenses	26,
Pricing fees	18,
Other	48,
Total expenses before reimbursement	3,110,
Reimbursement of expenses	(9,
Total expenses after reimbursement	

Investment income--net	

Realized & Unrealized Gain (Loss) on Investments--Net

Realized gain on investments--net	
Change in unrealized appreciation on investments--net	
Total realized and unrealized gain on investments--net	

Dividends to Preferred Stock Shareholders

Investment income--net	
Net Increase in Net Assets Resulting from Operations	

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets:	For the Year October 2003
Operations	
Investment income--net	$ 21,680,705
Realized gain (loss) on investments--net	2,981,291
Change in unrealized appreciation/depreciation on investments--net	(1,118,913)
Dividends to Preferred Stock shareholders	(1,502,640)
Net increase in net assets resulting from operations ..	22,040,443
Dividends to Common Stock Shareholders	
Investment income--net	(18,385,617)
Net decrease in net assets resulting from dividends to Common Stock shareholders	(18,385,617)
Net Assets Applicable to Common Stock	
Total increase in net assets applicable to Common Stock	3,654,826
Beginning of year	296,846,872
End of year*	$ 300,501,698
* Undistributed investment income--net	$ 5,204,329

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Financial Highlights

The following per share data and ratios have been derived from information provided in the financial statements.

Increase (Decrease) in Net Asset Value:	For the Year E 2003	2002
Per Share Operating Performance		
Net asset value, beginning of year	$ 13.27	$ 13.21
Investment income--net	.97+	.94
Realized and unrealized gain (loss) on investments--net	.09	--++
Dividends and distributions to Preferred Stock shareholders:		
Investment income--net	(.07)	(.10)
Realized gain on investments--net	--	--
In excess of realized gain on investments--net	--	--
Total from investment operations	.99	.84
Less dividends and distributions to Common Stock shareholders:		
Investment income--net	(.82)	(.78)
Realized gain on investments--net	--	--
In excess of realized gain on investments--net	--	--
Total dividends and distributions to Common Stock shareholders	(.82)	(.78)
Net asset value, end of year	$ 13.44	$ 13.27
Market price per share, end of year	$ 12.18	$ 11.75
Total Investment Return*		
Based on market price per share	10.83%	3.95%
Based on net asset value per share	8.28%	7.27%
Ratios Based on Average Net Assets of Common Stock		
Total expenses, net of reimbursement**	1.03%	1.06%
Total expenses**	1.03%	1.06%

Total investment income--net**	7.17%	7.26%
Amount of dividends to Preferred Stock shareholders	.50%	.78%
Investment income--net, to Common Stock shareholders	6.67%	6.48%
Ratios Based on Average Net Assets of Common & Preferred Stock**		
Total expenses, net of reimbursement	.68%	.70%
Total expenses	.69%	.70%
Total investment income--net	4.79%	4.79%
Ratios Based on Average Net Assets of Preferred Stock		
Dividends to Preferred Stock shareholders	1.00%	1.51%

Financial Highlights (concluded)

The following per share data and ratios have been derived from information provided in the financial statements.

	For the Year Ended Oc		
Increase (Decrease) in Net Asset Value:	2003	2002	2001@
Supplemental Data			
Net assets applicable to Common Stock, end of year (in thousands)	$300,502	$296,847	$295,457
Preferred Stock outstanding, end of year (in thousands)	$150,000	$150,000	$150,000
Portfolio turnover	42.06%	42.89%	98.99%
Leverage			
Asset coverage per $1,000	$ 3,003	$ 2,979	$ 2,970
Dividends Per Share on Preferred Stock Outstanding			
Series A--Investment income--net	$ 276	$ 390	$ 855
Series B--Investment income--net	$ 240	$ 388	$ 853
Series C--Investment income--net	$ 235	$ 351	$ 777

*   Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
**   Do not reflect the effect of dividends to Preferred Stock shareholders.
\+   Based on average shares outstanding.
++   Amount is less than $.01 per share.
@   Certain prior year amounts have been reclassified to conform to current year presentation.

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Notes to Financial Statements

1. Significant Accounting Policies:

MuniYield Quality Fund II, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. The Fund determines and makes available for publication the net asset value of its Common Stock on a weekly basis. The Fund's Common Stock is listed on the New York Stock Exchange under the symbol MQT. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments -- Municipal bonds are traded primarily in the over-the-counter markets and are valued at the last available bid price in the over-the-counter market or on the basis of yield equivalents as obtained by the Fund's pricing service from one or more dealers that make markets in such securities. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the over-the-counter market, valuation is the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Fund from the counterparty. Short-term investments with a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value. Securities and assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund, including valuations furnished by a pricing service retained by the Fund, which may utilize a matrix system for valuations. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general supervision of the Board of Directors.

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect, its exposure to interest rate movement and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

o   Financial futures contracts -- The Fund may purchase or sell financial futures contracts and options on such futures contracts for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

o Options -- The Fund is authorized to write covered call options and purchase put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked to market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

o Forward interest rate swaps -- The Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

Notes to Financial Statements (continued)

(c) Income taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(e) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .50% of the Fund's average weekly net assets, including proceeds from the issuance of Preferred Stock. For the year ended October 31, 2003, FAM reimbursed the Fund in the amount of $9,311.

For the year ended October 31, 2003, the Fund reimbursed FAM $9,804 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2003 were $185,108,036 and $193,841,515 respectively.

Net realized gains (losses) for the year ended October 31, 2003 and net unrealized gains (losses) as of October 31, 2003 were as follows:

	Realized Gains (Losses)	Unrealized Gains (Losses)
Long-term investments	$ 4,451,167	$ 16,386,897
Financial futures contracts	(1,905,532)	--
Forward interest rate swaps	435,656	(650,552)
Total	$ 2,981,291	$ 15,736,345

As of October 31, 2003, net unrealized appreciation for Federal income tax purposes aggregated $16,386,897, of which $24,944,392 related to appreciated securities and $8,557,495 related to depreciated securities. The aggregate cost of investments at October 31, 2003 for Federal income tax purposes was $425,381,878.

4. Stock Transactions:

The Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value $.10 per share, all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of the holders of Common Stock.

Preferred Stock

Auction Market Preferred Stock ("AMPS") are redeemable shares of Preferred Stock of the Fund, with a par value of $.05 per share and a liquidation preference of $25,000 per share plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2003 were as follows: Series A, .81%; Series B, .81%; and Series C, .60%.

The Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the year ended October 31, 2003, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of FAM, earned $143,340 as commissions.

5. Distributions to Shareholders:

The Fund paid a tax-exempt income dividend to holders of Common Stock in the amount of $.069000 per share on November 26, 2003 to shareholders of record on November 14, 2003.

The tax character of distributions paid during the fiscal years ended October 31, 2003 and October 31, 2002 was as follows:

	10/31/2003	10/31/2002
Distributions paid from:		
Tax-exempt income	$19,888,257	$19,769,138
Total distributions	$19,888,257	$19,769,138

As of October 31, 2003, the components of accumulated losses on a tax basis were as follows:

Undistributed tax-exempt income--net	$ 5,204,329
Undistributed long-term capital gains--net	--
Total undistributed earnings--net	5,204,329
Capital loss carryforward	(32,151,759)*
Unrealized gains--net	13,449,143**
Total accumulated losses--net	$(13,498,287)

* On October 31, 2003, the Fund had a net capital loss carryforward of $32,151,759, of which $4,975,019 expires in 2007, $26,079,903 expires in 2008 and $1,096,837 expires in 2010. This amount will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles.

Independent Auditors' Report

To the Shareholders and Board of Directors of
MuniYield Quality Fund II, Inc.:

We have audited the accompanying statement of net assets, including the schedule of investments, of MuniYield Quality Fund II, Inc. as of October 31, 2003, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2003, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MuniYield Quality Fund II, Inc. as of October 31, 2003, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Princeton, New Jersey
December 17, 2003

[LOGO] Merrill Lynch Investment Managers

Automatic Dividend Reinvestment Plan

The following description of the Fund's Automatic Dividend Reinvestment Plan (the "Plan") is sent to you annually as required by Federal securities laws.

Pursuant to the Fund's Plan, unless a holder of Common Stock otherwise elects, all dividend and capital gains distributions will be automatically reinvested by The Bank of New York (the "Plan Agent"), as agent for shareholders in administering the Plan, in additional shares of Common Stock of the Fund. Holders of Common Stock who elect not to participate in the Plan will receive all distributions in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name then to such nominee) by The Bank of New York, as dividend paying agent. Such participants may elect not to participate in the Plan and to receive all distributions of dividends and capital gains in cash by sending written instructions to The Bank of New York, as dividend paying agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice if received by the Plan Agent not less than ten days prior to any dividend record date; otherwise such termination will be effective with respect to any subsequently declared dividend or distribution.

Whenever the Fund declares an income dividend or capital gains distribution (collectively referred to as "dividends") payable either in shares or in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of Common Stock. The shares will be acquired by the Plan Agent for the participant's account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized shares of Common Stock from the Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market ("open-market purchases") on the New York Stock Exchange or elsewhere. If on the payment date for the dividend, the net asset value per share of the Common Stock is equal to or less than the market price per share of the Common Stock plus estimated brokerage commissions (such conditions being referred to herein as "market premium"), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participant. The number of newly issued shares of Common Stock to be credited to the participant's account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If on the dividend payment date the net asset value per share is greater than the market value (such condition being referred to herein as "market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases.

In the event of a market discount on the dividend payment date, the Plan Agent will have until the last business day before the next date on which the shares trade on an "ex-dividend" basis or in no event more than 30 days after the dividend payment date (the "last purchase date") to invest the dividend amount in shares acquired in open-market purchases. It is contemplated that the Fund will pay monthly income dividends. Therefore, the period during which open-market purchases can be made will exist only from the payment date on the dividend through the date before the next "ex-dividend" date, which typically will be approximately ten days. If, before the Plan Agent has completed its open-market purchases, the market price of a share of Common Stock exceeds the net asset value per share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisitions of fewer shares than if the dividend had been paid in newly issued shares on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the dividend amount in newly issued shares at the close of business on the last purchase date determined by dividing the uninvested portion of the dividend by the net asset value per share.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan in accordance with the instructions of the participants.

Automatic Dividend Reinvestment Plan (concluded)

In the case of shareholders such as banks, brokers or nominees which hold shares of others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the record shareholders as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends.

The automatic reinvestment of dividends and distributions will not relieve participants of any Federal, state or local income tax that may be payable (or required to be withheld) on such dividends.

Shareholders participating in the Plan may receive benefits not available to shareholders not participating in the Plan. If the market price plus commissions of the Fund's shares is above the net asset value, participants in the Plan will receive shares of the Fund at less than they could otherwise purchase them and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the net asset value, participants will receive distributions in shares with a net asset value greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Fund does not redeem shares, the price on resale may be more or less than the net asset value.

The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Fund's shares are trading at a premium over net asset value, the Fund issues shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of such discount (which may not exceed 5% of the fair market value of the Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence concerning the Plan should be directed to the Plan Agent at The Bank of New York, Church Street Station, P.O. Box 11258, New York, NY 10286-1258, Telephone: 800-432-8224.

[LOGO] Merrill Lynch Investment Managers

Officers and Directors (unaudited)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
Interested Director				

Terry K. Glenn*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 63	President and Director	1999 to present and 1992 to present	President and Chairman of Merrill Lynch Investme Managers, L.P. ("MLIM")/Fund Asset Management, L.P. ("FAM")--Advised Funds since 1999; Chairman (Americas Region) of MLIM from 2000 to 2002; Executive Vice President of FAM and MLIM (which terms as used herein include their corporate predecessors) from 1983 to 2002; President of FAM Distributors, Inc. ("FAMD") from 1986 to 200 and Director thereof from 1991 to 2002; Executiv Vice President and Director of Princeton Service Inc. ("Princeton Services") from 1993 to 2002; President of Princeton Administrators, L.P. from 1989 to 2002; Director of Financial Data Service Inc. since 1985.

* Mr. Glenn is a director, trustee or member of an advisory board of certain other in MLIM acts as investment adviser. Mr. Glenn is an "interested person," as described the Fund based on his former positions with FAM, MLIM, FAMD, Princeton Services and Director's term is unlimited. Directors serve until their resignation, removal or d year in which they turn 72. As Fund President, Mr. Glenn serves at the pleasure of

Independent Directors*

James H. Bodurtha	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 59	Director	1995 to present	Director, The China Business Group, Inc. since 1996 and Executive Vice President thereof from 1996 to 2003; Chairman of the Board, Berkshire Holding Corporation since 1980; Partner, Squire, Sanders & Dempsey from 1980 to 1993.
Joe Grills	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 68	Director	2002 to present	Member of the Committee of Investment of Employee Benefit Assets of the Association of Financial Professionals ("CIEBA") since 1986 and its Chairman from 1991 to 1992; Member of the Investment Advisory Committees of the State of New York Common Retirement Fund since 1989; Member of the Investment Advisory Committee of the Howard Hughes Medical Institute from 1997 to 2000; Director, Duke Management Company since 1992 and Vice Chairman thereof since 1998; Director, LaSalle Street Fund from 1995 to 2001; Director, Kimco Realty Corporation since 1997; Member of the Investment Advisory Committee of the Virginia Retirement System since 1998 and Vice Chairman thereof since 2002; Director, Montpelier Foundation since 1998 and Vice Chairman thereof since 2000; Member of the Investment Committee of the Woodberry Forest School since 2000; Member of the Investment Committee of the National Trust for Historic Preservation since 2000.
Herbert I. London	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 64	Director	1992 to present	John M. Olin Professor of Humanities, New York University since 1993 and Professor thereof sinc 1980; President of Hudson Institute since 1997 and Trustee thereof since 1980.

Officers and Directors (unaudited) (continued)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
Independent Directors* (concluded)				
Andre F. Perold	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 51	Director	1992 to present	George Gund Professor of Finance and Banking, Harvard Business School since 2000 and a member of the faculty since 1979; Director and Chairman the Board,UNX, Inc. since 2003; Director, Sanlam Limited and Sanlam Life since 2001; Director, Genbel Securities and Gensec Bank since 1999; Director, Stockback.com from 2002 to 2002; Director, Bulldogresearch.com from 2000 to 2001; Director, Sanlam Investment Management from 1999 to 2001; Director, Quantec Limited from 1991 to 1999.
Roberta Cooper Ramo	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 61	Director	1999 to present	Shareholder, Modrall, Sperling, Roehl, Harris & Sisk, P.A. since 1993; Director of Cooper's, Inc since 1999 and Chairman of the Board since 2000; Director of ECMC, Inc. since 2001.
Robert S. Salomon, Jr.	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 66	Director	2002 to present	Principal of STI Management since 1994; Trustee of Commonfund from 1980 to 2001; Director of Rye Country Day School since 2001.
Stephen B. Swensrud	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 70	Director	2002 to present	Chairman, Fernwood Advisors (investment adviser) since 1996; Principal of Fernwood Associates (financial consultant) since 1975; Chairman of RPP Corporation since 1978; Director, Internatio Mobile Communications, Inc. since 1998.

* The Director's term is unlimited. Directors serve until their resignation, removal the year in which they turn 72.

[LOGO] Merrill Lynch Investment Managers

Officers and Directors (unaudited) (concluded)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served*	Principal Occupation(s) During Past 5 Years

Fund Officers

Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 43	Vice President and Treasurer	1993 to present and 1999 to present	First Vice President of FAM and MLIM since 1997 since 1999; Senior Vice President and Treasurer 1999; Vice President of FAMD since 1999; Directo
Kenneth A. Jacob	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 52	Senior Vice President	2002 to present	Managing Director of MLIM since 2000; Director (Management) of MLIM from 1997 to 2000.
John M. Loffredo	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 39	Senior Vice President	2002 to present	Managing Director of MLIM since 2000; Director (Management) of MLIM from 1998 to 2000.
Michael A. Kalinoski	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 33	Vice President	2000 to present	Vice President of MLIM since 1999.
Brian D. Stewart	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 34	Secretary	2003 to present	Vice President (Legal Advisory) of MLIM since 20 from 2001 to 2002; Attorney with Saul Ewing from

* Officers of the Fund serve at the pleasure of the Board of Directors.

Custodian

The Bank of New York
100 Church Street
New York, NY 10286

Transfer Agents

Common Stock:

The Bank of New York
101 Barclay Street
New York, NY 10286

Preferred Stock:

The Bank of New York
100 Church Street
New York, NY 10286

NYSE Symbol

MQT

Dividend Policy

The Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Fund may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Fund for any particular month may be more or less than the amount of net investment income earned by the Fund during such month. The Fund's current accumulated but undistributed net investment income, if any, is disclosed in the Statement of Assets, Liabilities and Capital, which comprises part of the Financial Information included in this report.

[LOGO] Merrill Lynch Investment Managers

Quality Profile (unaudited)

The quality ratings of securities in the Fund as of October 31, 2003 were as follows:

S&P Rating/Moody's Rating	Percent of Total Investments
AAA/Aaa	83.5%
AA/Aa	4.8
A/A	3.1
BBB/Baa	4.9
BB/Ba	1.1
CC/Ca	0.1
NR (Not Rated)	2.5

Important Tax Information (unaudited)

All of the net investment income distributions paid by MuniYield Quality Fund II, Inc. during its taxable year ended October 31, 2003 qualify as tax-exempt interest dividends for Federal income tax purposes.

Please retain this information for your records.

Electronic Delivery

The Fund is now offering electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this website http://www.icsdelivery.com/live and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

[LOGO] Merrill Lynch Investment Managers www.mlim.ml.com

MuniYield Quality Fund II, Inc. seeks to provide shareholders with as high a level of current income exempt from Federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, high-grade municipal obligations, the interest on which is exempt from Federal income taxes in the opinion of bond counsel to the issuer. The Fund invests primarily in insured municipal bonds.

This report, including the financial information herein, is transmitted to shareholders of MuniYield Quality Fund II, Inc. for their information. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Fund has leveraged its Common Stock and intends to remain leveraged by issuing Preferred Stock to provide the Common Stock shareholders with a potentially higher rate of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

MuniYield Quality Fund II, Inc.
Box 9011
Princeton, NJ
08543-9011

#16433 -- 10/03

Item 2 - Did registrant adopt a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party? If not, why not? Briefly describe any amendments or waivers that occurred during the period. State here if code of ethics/amendments/waivers are on website and give website address-. State here if fund will send code of ethics to shareholders without charge upon request--

The registrant has adopted a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. A copy of the code of ethics is available without charge upon request by calling toll-free 1-800-MER-FUND (1-800-637-3863).

Item 3 - Did the registrant's board of directors determine that the registrant either: (i) has at least one audit committee financial expert serving on its audit committee; or (ii) does not have an audit committee financial expert serving on its audit committee? If yes, disclose name of financial expert and whether he/she is "independent," (fund may, but is not required, to disclose name/independence of more than one financial expert) If no, explain why not. -

The registrant's board of directors has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: (1) Joe Grills, (2) Andre Perold, (3) Robert S. Salomon, Jr., and (4) Stephen B. Swensrud.

Item 4 - Disclose annually only (not answered until December 15, 2003)

(a) Audit Fees - Disclose aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. N/A.

(b) Audit-Related Fees - Disclose aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.

(c) Tax Fees - Disclose aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.

(d) All Other Fees - Disclose aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item. Registrants shall describe the nature of the services comprising the fees disclosed under this category. N/A.

(e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X. N/A.

(e)(2) Disclose the percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X. N/A.

(f) If greater than 50%, disclose the percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees. N/A.

(g) Disclose the aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant. N/A.

(h) Disclose whether the registrant's audit committee has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any subadviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence. N/A.

Item 5 - If the registrant is a listed issuer as defined in Rule 10A-3 under the Exchange Act, state whether or not the registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. If the registrant has such a committee, however designated, identify each committee member. If the entire board of directors is acting as the registrant's audit committee in Section 3(a)(58)(B) of the Exchange Act, so state.

If applicable, provide the disclosure required by Rule 10A-3(d) under the Exchange Act regarding an exemption from the listing standards for audit committees. N/A

(Listed issuers must be in compliance with the new listing rules by the earlier of their first annual shareholders meeting after January 2004, or October 31, 2004 (annual requirement))

Item 6 - Reserved

Item 7 - For closed-end funds that contain voting securities in their portfolio, describe the policies and procedures that it uses to determine how to vote proxies relating to those portfolio securities.

Proxy Voting Policies and Procedures

Each Fund's Board of Directors/Trustees has delegated to Merrill Lynch Investment Managers, L.P. and/or Fund Asset Management, L.P. (the "Investment Adviser") authority to vote all proxies relating to the Fund's portfolio securities. The Investment Adviser has adopted policies and procedures ("Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Investment Adviser's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Investment Adviser believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that the Investment Adviser considers the interests of its clients, including the Funds, and not the interests of the Investment Adviser, when voting proxies and that real (or perceived) material conflicts that may arise between the Investment Adviser's interest and those of the Investment Adviser's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Investment Adviser has formed a Proxy Voting Committee (the "Committee"). The

Committee is comprised of the Investment Adviser's Chief Investment Officer (the "CIO"), one or more other senior investment professionals appointed by the CIO, portfolio managers and investment analysts appointed by the CIO and any other personnel the CIO deems appropriate. The Committee will also include two non-voting representatives from the Investment Adviser's Legal department appointed by the Investment Adviser's General Counsel. The Committee's membership shall be limited to full-time employees of the Investment Adviser. No person with any investment banking, trading, retail brokerage or research responsibilities for the Investment Adviser's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee, on the same basis as other interested knowledgeable parties not affiliated with the Investment Adviser might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Investment Adviser and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Investment Adviser and is responsible for determining how those policies are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Investment Adviser believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Investment Adviser on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Investment Adviser will generally seek to vote proxies over which the Investment Adviser exercises voting authority in a uniform manner for all the Investment Adviser's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Investment Adviser in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to the Investment Adviser by ISS include in-depth research, voting recommendations (although the Investment Adviser is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping obligations under the Investment Company Act.

The Investment Adviser's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Investment Adviser generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Investment Adviser will vote proxies related to securities of foreign issuers only on a best efforts basis and may elect not to vote at all in certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Investment Adviser may be required to vote proxies in respect of an issuer where an affiliate of the Investment Adviser (each, an "Affiliate"), or a money management or other client of the Investment Adviser (each, a "Client") is involved. The Proxy Voting Procedures and the Investment Adviser's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, the Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the powers of the Committee shall pass to a subcommittee, appointed by the CIO (with advice from the Secretary of the Committee), consisting solely of Committee members selected by the CIO. The CIO shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and whose job evaluations would not be affected by the Investment Adviser's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Investment Adviser's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Investment Adviser's normal voting guidelines or, on matters where the Investment Adviser's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Investment Adviser on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Investment Adviser's fiduciary duties

In addition to the general principles outlined above, the Investment Adviser has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Investment Adviser may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Investment Adviser has adopted specific voting guidelines with respect to the following proxy issues:

- Proposals related to the composition of the Board of Directors of issuers other than investment companies. As a general matter, the Committee believes that a company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Committee, therefore, believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a nominee's history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.

- Proposals related to the selection of an issuer's independent auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.

- Proposals related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of an issuer's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by an issuer's board of directors, rather than shareholders. Proposals to "micro-manage" an issuer's compensation practices or to set arbitrary restrictions on compensation or benefits will, therefore, generally not be supported.

- Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.

- Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.

- Routine proposals related to requests regarding the formalities of corporate meetings.

- Proposals related to proxy issues associated solely with holdings of investment company shares. As with other types of companies, the Committee believes that a fund's Board of Directors (rather than its shareholders) is best-positioned to set fund policy and oversee management. However, the Committee opposes granting Boards of Directors authority over certain matters, such as changes to a fund's investment objective, that the Investment Company Act envisions will be approved directly by shareholders.

- Proposals related to limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The Committee generally believes that annual shareholder meetings are inappropriate forums for discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Item 8 -- Reserved

Item 9(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

Item 9(b) -- There were no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 10 - Exhibits

10(a) - Attach code of ethics or amendments/waivers, unless code of ethics or amendments/waivers is on website or offered to shareholders upon request without charge. N/A.

10(b) - Attach certifications pursuant to Section 302 of the Sarbanes-Oxley Act. 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.

MuniYield Quality Fund II, Inc.

By: /s/ Terry K. Glenn

Terry K. Glenn,
President of
MuniYield Quality Fund II, Inc.

Date: December 22, 2003

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/ Terry K. Glenn

Terry K. Glenn,

President of
MuniYield Quality Fund II, Inc.

Date: December 22, 2003

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Financial Officer of
MuniYield Quality Fund II, Inc.

Date: December 22, 2003

Attached hereto as a furnished exhibit are the certifications pursuant to Section 906 of the Sarbanes-Oxley Act.