

Edgar Filing: MUNIYIELD QUALITY FUND II INC - Form N-Q

MUNIYIELD QUALITY FUND II INC  
 Form N-Q  
 March 29, 2006

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 811-6718

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: Robert C. Doll, Jr., Chief Executive  
 Officer, 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: 10/31/2006

Date of reporting period: 11/01/05 - 01/31/06

Item 1 - Schedule of Investments

MuniYield Quality Fund II, Inc.  
 Schedule of Investments as of January 31, 2006 (in Thousands)

State	Face Amount	Municipal Bonds
Alaska - 0.5%	\$ 1,400	Alaska State International Airports Revenue Bonds, Series B, 5.7
Arizona - 1.0%	2,700	Northern Arizona University System Revenue Bonds, 5.50% due 6/01
California - 26.1%	8,150	Alameda Corridor Transportation Authority, California, Capital A Refunding Bonds, Subordinate Lien, Series A, 5.319%** due 10/01/
	3,800	Anaheim, California, Public Financing Authority, Electric System
	2,500	Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f) California Health Facilities Financing Authority Revenue Bonds (
	4,600	RIB, Series 26, 7.67% due 6/01/2022 (f) (l)
	2,200	California State, GO, 5.125% due 2/01/2027
	165	California State, GO, Refunding, 5.25% due 9/01/2010 (j)
	1,780	California State, GO, Refunding, 5.25% due 9/01/2026
	2,800	California State, GO, Refunding, 5.25% due 2/01/2030 (h)
	1,950	California State, GO, Refunding, 5.25% due 2/01/2030 (i)
	2,750	California State, GO, Refunding, ROLS, Series II-R-272, 7.346% d
	6,500	California State, Various Purpose, GO, 5.25% due 11/01/2029 California State, Various Purpose, GO, 5.50% due 11/01/2033

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15,000		East Side Union High School District, California, Santa Clara Co Appreciation, GO (Election of 2002), Series E, 5.15%** due 8/01/2028 (i)
2,770		Fairfield-Suisun, California, Unified School District, GO (Election of 5.50% due 8/01/2028 (i)
2,300		Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.50% due 6/01/2013 (h) (j)
3,725		Golden State Tobacco Securitization Corporation of California, Tobacco Revenue Bonds, Series B, 5.625% due 6/01/2013 (b) (j)

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 below.

AMT	Alternative Minimum Tax (subject to)
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDB	Industrial Development Board
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
ROLS	Reset Option Long Securities
S/F	Single-Family

MuniYield Quality Fund II, Inc.  
Schedule of Investments as of January 31, 2006 (in Thousands)

State	Face Amount	Municipal Bonds
	\$ 2,815	John Swett Unified School District, California, GO, Series A, 5.00% due 8/01/2028 (i)
	7,050	Los Angeles, California, Unified School District, GO, Series A, 5.00% due 8/01/2028 (i)
	2,900	Palm Springs, California, Financing Authority, Lease Revenue Refunding (Convention Center Project), Series A, 5.50% due 11/01/2029 (i)
	1,250	Poway, California, Redevelopment Agency, Tax Allocation Refunding (Redevelopment Project), 5.125% due 6/15/2033 (a)
	6,000	Sacramento, California, Municipal Utility District, Electric Revenue Bonds, 5% due 8/15/2028 (i)
	1,000	San Diego, California, Community College District, GO (Election of 2002), Series A, 5.00% due 5/01/2030 (f)
	950	Santa Monica, California, Community College District, GO (Election of 2002), Series C, 5% due 8/01/2029 (i)
	1,325	Tamalpais, California, Union High School District, GO (Election of 2002), Series A, 5.00% due 8/01/2028 (f)
	1,000	University of California, Limited Project Revenue Bonds, Series A, 5.15% due 5/15/2033 (f)
	1,350	University of California Revenue Bonds (Multiple Purpose Project), Series A, 5.00% due 9/01/2034 (f)
Colorado - 6.0%	1,150	Colorado Health Facilities Authority Revenue Bonds (Catholic Health System)

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		Series A, 5.50% due 3/01/2032 (n)
	1,200	Colorado Health Facilities Authority Revenue Bonds (Covenant Return Communities Inc.), Series A, 5.50% due 12/01/2027 (k)
	675	Colorado Health Facilities Authority Revenue Bonds (Covenant Return Communities Inc.), Series A, 5.50% due 12/01/2033 (k)
	1,475	Colorado Housing and Finance Authority, Revenue Refunding Bonds AMT, Series B-2, 6.80% due 2/01/2031 (i)
	7,500	E-470 Public Highway Authority, Colorado, Capital Appreciation Refunding Bonds, Series B, 5.607%** due 9/01/2032 (i)
	10,975	Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Revenue Bonds, Senior Convertible, Series C, 5.327%** due 6/15/2021 (a)
	1,735	Northwest Parkway, Colorado, Public Highway Authority Revenue Bonds, Series A, 5.50% due 6/15/2021 (a)
-----		
Connecticut - 3.3%	9,325	Connecticut State Resource Recovery Authority, Revenue Refunding Bonds, Series 187, 7.669% due 11/15/2011 (i)(l)
-----		
Florida - 1.9%	4,575	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A, 5.21%** due 10/01/2034 (i)
	4,495	Miami-Dade County, Florida, Subordinate Special Obligation Revenue Bonds, Series A, 5.22%** due 10/01/2035 (i)
	3,575	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series A, 5.25% due 1/01/2032 (c)
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Georgia - 5.2%	5,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series A, 5.25% due 1/01/2033 (f)
	5,000	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.80% due 1/01/2017 (c)
	2,585	Atlanta, Georgia, Development Authority, Student Housing Revenue Refunding Bonds (State University), 5% due 9/01/2035 (h)
	2,170	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2023 (g)
-----		
Illinois - 20.3%	2,300	Chicago, Illinois, O'Hare International Airport, General Revenue Refunding Bonds, Series A, 5.25% due 1/01/2026 (i)
	2,900	Chicago, Illinois, O'Hare International Airport, General Revenue Refunding Bonds, Series A, 5% due 1/01/2033 (c)
	5,200	Chicago, Illinois, O'Hare International Airport, Revenue Bonds, Series B-2, 5.75% due 1/01/2023 (f)
	2,200	Chicago, Illinois, O'Hare International Airport, Revenue Bonds, Series B-2, 6% due 1/01/2029 (h)
	4,750	Chicago, Illinois, O'Hare International Airport, Revenue Refunding Bonds AMT, Series 844Z, 7.624% due 7/01/2010 (i)(l)
	2,830	Chicago, Illinois, Park District, GO, Refunding, Series C, 5.50% due 1/01/2023 (g)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2006

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 3,000	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 1/01/2023 (g)
	10,000	Illinois Regional Transportation Authority Revenue Bonds, 6.50% due 1/01/2023 (g)
	21,675	Illinois Sports Facilities Authority, State Tax Supported Revenue Refunding Bonds, Series A, 5.264%** due 6/15/2030 (a)
	3,625	Metropolitan Pier and Exposition Authority, Illinois, Dedicated Revenue Refunding Bonds, DRIVERS, Series 269, 8.149% due 6/15/2023 (i)(l)

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Indiana - 3.1%	3,750	Indiana Transportation Finance Authority, Highway Revenue Bonds, due 6/01/2028 (c)
	5,000	Indiana Transportation Finance Authority, Highway Revenue Bonds, due 6/01/2029 (c)
Kansas - 0.6%	1,680	Sedgwick and Shawnee Counties, Kansas, S/F Mortgage-Backed Revenue AMT, Series A-2, 6.45% due 12/01/2033 (e) (i)
Louisiana - 4.6%	2,330	Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortgage AMT, Series B-1, 6.65% due 12/01/2033 (e) (i)
	3,900	Louisiana Local Government, Environmental Facilities, Community Authority Revenue Bonds (Capital Projects and Equipment Acquisition), due 7/01/2030 (a)
	3,185	Louisiana State Transportation Authority, Senior Lien Toll Revenue Appreciation Bonds, Series B, 5.31%** due 12/01/2027 (a)
	4,650	New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Sub-Series A, 5.25% due 7/15/2028 (a)
	1,300	Terrebonne Parish, Louisiana, Hospital Service District Number 1 Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2030 (a)
Massachusetts - 13.9%	1,535	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Senior Series A, 5% due 7/01/2032
	1,375	Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Senior Series A, 5% due 7/01/2035
	8,600	Massachusetts Bay Transportation Authority, Special Assessment Revenue Bonds, Series A, 5% due 7/01/2031
	2,100	Massachusetts State, Consolidated Loan, GO, Series C, 5% due 9/01/2030
	10,000	Massachusetts State, HFA, Housing Revenue Bonds, DRIVERS, AMT, Series A, due 1/01/2011 (f) (l)
	2,785	Massachusetts State Port Authority, Special Facilities Revenue Bonds, Series 501, 7.624% due 7/01/2009 (a) (l)
	8,100	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f)
	1,800	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, due 1/01/2014 (c) (j)
	840	Massachusetts State Water Resource Authority, General Revenue Refunding Series B, 5.125% due 8/01/2027 (i)
	2,700	University of Massachusetts Building Authority, Facilities Revenue Refunding Series 4-A, 5.125% due 11/01/2034 (i)
Michigan - 8.3%	8,900	Detroit, Michigan, Water Supply System Revenue Bonds, Series B, due 7/01/2032 (i)
	3,250	Detroit, Michigan, Water Supply System Revenue Bonds, Series B, due 7/01/2032 (i)
	1,300	Michigan Higher Education Student Loan Authority, Student Loan Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)
	2,685	Michigan State, HDA, Revenue Refunding Bonds, Series C, 5.90% due 12/15/2032 (h)
	1,000	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Project), AMT, Series A, 5.50% due 6/01/2030 (h)
	3,900	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Edison Company Project), AMT, Series C, 5.45% due 12/15/2032 (h)
	2,625	Wayne County, Michigan, Airport Authority Revenue Bonds, DRIVERS, Series A, 7.126% due 6/01/2013 (i) (l)
Minnesota - 0.1%	250	Minnesota State Municipal Power Agency, Electric Revenue Bonds, due 12/01/2030 (a)

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Schedule of Investments as of January 31, 2006

(in Thousands)

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State	Face Amount	Municipal Bonds
Missouri - 2.0%	\$ 4,000	Saint Louis County, Missouri, Pattonville R-3 School District, (GO, Refunding, 5.75% due 3/01/2010 (c) (j))
	1,500	Saint Louis County, Missouri, Pattonville R-3 School District, (GO, Refunding, 6% due 3/01/2010 (c) (j))
Nevada - 2.4%	2,800	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital, Series A, 5.50% due 9/01/2033 (k))
	1,500	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, 5% due 7/01/2030 (c)
	2,700	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, 5% due 7/01/2036 (c)
New Jersey - 7.0%	1,070	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2029
	500	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2031
	2,400	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 7/01/2029 (i)
	4,800	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 7/01/2033 (i)
	2,300	New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-1, 7.843% due 7/01/2028 (g) (l) (m)
	2,000	New Jersey EDA, Revenue Bonds, ROLS, Series II-R-309-2, 7.843% due 7/01/2028 (g) (l) (m)
	2,600	New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, due 3/01/2028
	4,000	New Jersey EDA, School Facilities Construction Revenue Bonds, Series A, due 9/01/2028
New Mexico - 2.3%	6,295	New Mexico State Highway Commission, Tax Revenue Bonds, Senior Series A, due 6/15/2010 (f) (j)
New York - 9.1%	1,800	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (c)
	9,280	Nassau Health Care Corporation, New York, Health System Revenue Bonds, due 8/01/2009 (f) (j)
	2,025	New York City, New York, City Municipal Water Finance Authority, System, Revenue Refunding Bonds, Series A, 5% due 6/15/2035 (i)
	5,000	New York State Dormitory Authority, Revenue Refunding Bonds (State Educational Facilities), 5.75% due 5/15/2010 (c) (j)
	7,115	Tobacco Settlement Financing Corporation of New York Revenue Bonds, 5.25% due 6/01/2022 (a)
Ohio - 2.3%	5,120	Plain, Ohio, Local School District, GO, Refunding, 6% due 6/01/2028
	1,170	Plain, Ohio, Local School District, GO, Refunding, 6% due 12/01/2028
Pennsylvania - 6.3%	3,335	Delaware River Port Authority of Pennsylvania and New Jersey Revenue Bonds, Series 396, 8.683% due 1/01/2019 (f) (l)
	6,175	Pennsylvania State Public School Building Authority, School Leasing (The School District of Philadelphia Project), 5% due 6/01/2033
	3,230	Philadelphia, Pennsylvania, Authority for Industrial Development Revenue Bonds, Series B, 5.50% due 10/01/2020 (f)
	4,500	Philadelphia, Pennsylvania, School District, GO, Series B, 5.625% due 6/01/2028 (c) (j)
Rhode Island - 1.4%	4,010	Rhode Island State Health and Educational Building Corporation, Facilities Revenue Bonds (University of Rhode Island), Series A, 5.50% due 6/01/2028

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due 9/15/2009 (i) (j)

South Carolina - 1.1%	1,363	Charleston Educational Excellence Financing Corporation, South Carolina Bonds, ROLS, Series II-R-481X-1, 7.366% due 12/01/2028 (1) (m)
	1,212	Charleston Educational Excellence Financing Corporation, South Carolina Bonds, ROLS, Series II-R-481X-2, 7.366% due 12/01/2029 (1) (m)
	440	Charleston Educational Excellence Financing Corporation, South Carolina Bonds, ROLS, Series II-R-481X-3, 7.366% due 12/01/2030 (1) (m)

MuniYield Quality Fund II, Inc.

Schedule of Investments as of January 31, 2006

(in Thousands)

State	Face Amount	Municipal Bonds
Tennessee - 2.4%	\$ 6,500	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Corporation), 5.875% due 10/01/2024 (a)
Texas - 11.2%	2,730	Corpus Christi, Texas, Utility System Revenue Refunding Bonds, Series 202, 8.629% due 11/01/2028 (c) (l)
	3,250	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, Series 202, 8.629% due 11/01/2028 (c) (l)
	4,000	Gregg County, Texas, Health Facilities Development Corporation, Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2029 (f)
	1,900	Houston, Texas, Airport System Revenue Refunding Bonds, Sub-Lien Series 202, 8.629% due 11/01/2028 (c) (l)
	9,345	Leander, Texas, Independent School District, Capital Appreciation Bonds (School Building), 5.51%** due 8/15/2030 (c)
	3,500	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), 6.375% due 4/01/2027
	4,925	North Harris County, Texas, Regional Water Authority, Senior Lien Series 202, 8.629% due 11/01/2028 (c) (l)
	4,800	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.75% due 8/15/2038 (a)
	3,600	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50% due 8/15/2039 (a)
Virginia - 0.8%	2,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)
Washington - 7.3%	2,150	King County, Washington, Sewer Revenue Refunding Bonds, Series B, 6% due 1/01/2027 (f)
	7,470	Port of Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due 1/01/2027 (f)
	1,600	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.50% due 12/01/2034 (a)
	6,150	Seattle, Washington, Municipal Light and Power Revenue Bonds, Series 202, 8.629% due 11/01/2028 (c) (l)
	3,100	Seattle, Washington, Municipal Light and Power Revenue Refunding Bonds, Series 202, 8.629% due 11/01/2028 (c) (l)
Puerto Rico - 0.9%	2,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 202, 8.629% due 11/01/2028 (c) (l)
		Total Municipal Bonds (Cost - \$435,941) - 151.4%

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Shares Held	Short-Term Securities
1,100	Merrill Lynch Institutional Tax-Exempt Fund (o)
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	Total Short-Term Securities (Cost - \$1,100) - 0.4%
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	Total Investments (Cost - \$437,041*) - 151.8%
	Other Assets Less Liabilities - 1.4%
	Preferred Stock, at Redemption Value - (53.2%)
	Net Assets Applicable to Common Stock - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 437,041
	=====
Gross unrealized appreciation	\$ 20,897
Gross unrealized depreciation	(924)
	-----
Net unrealized appreciation	\$ 19,973
	=====

MuniYield Quality Fund II, Inc.  
Schedule of Investments as of January 31, 2006 (in Thousands)

- \*\* Represents a zero coupon or a step bond; the interest rate shown is the effective yield at the time of purchase.
- (a) AMBAC Insured.
  - (b) CIFG Insured.
  - (c) FGIC Insured.
  - (d) FHA Insured.
  - (e) FNMA/GNMA Collateralized.
  - (f) FSA Insured.
  - (g) The security may be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933.
  - (h) XL Capital Insured.
  - (i) MBIA Insured.
  - (j) Prerefunded.
  - (k) Radian Insured.
  - (l) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
  - (m) Assured Guaranty Insured.
  - (n) Escrowed to maturity.
  - (o) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
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Merrill Lynch Institutional Tax-Exempt Fund	(300)	\$	27
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- o Forward interest rate swaps outstanding as of January 31, 2006 were as follows:

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	Notional Amount
Pay a fixed rate of 3.94% and receive a floating rate based on 1-week Bond Market Association rate	
Broker, JPMorgan Chase Bank Expires February 2016	\$ 30,000
Pay a fixed rate of 3.767% and receive a floating rate based on 1-week Bond Market Association rate	
Broker, JPMorgan Chase Bank Expires April 2016	\$ 15,000
Total	

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Item 2 - Controls and Procedures

- 2(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.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is 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.

MuniYield Quality Fund II, Inc.



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

-----  
Robert C. Doll, Jr.  
Chief Executive Officer  
MuniYield Quality Fund II, Inc.

Date: March 20, 2006

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/ Robert C. Doll, Jr.

-----  
Robert C. Doll, Jr.  
Chief Executive Officer  
MuniYield Quality Fund II, Inc.

Date: March 20, 2006

By: /s/ Donald C. Burke

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

Date: March 20, 2006