MUNIYIELD QUALITY FUND II INC
Form N-CSR
December 28, 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 811-06728

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: 10/31/04

Date of reporting period: 11/01/03 - 10/31/04

Item 1 - Report to Stockholders

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MuniYield Quality
Fund II, Inc.

Annual Report
October 31, 2004

[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, 2004, the percentage of the Fund's total net assets invested in inverse floaters was 12.88%, before the deduction of Preferred Stock.

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. Swap agreements involve the risk that the party with whom the Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

A Letter From the President

Dear Shareholder

As we ended the current reporting period, the financial markets were facing a number of uncertainties. At the top of investors' minds were questions about economic expansion, corporate earnings, interest rates and inflation, politics, oil prices and terrorism.

After benefiting from aggressive monetary and fiscal policy stimulus, some fear the U.S. economy has hit a "soft patch." In fact, economic expansion has slowed somewhat in recent months, but we believe it is easing into a pace of growth that is sustainable and healthy. The favorable economic environment has served to benefit American corporations, which have continued to post strong earnings. Although the most impressive results were seen earlier in the year, solid productivity, improved revenue growth and cost discipline all point to a vital corporate sector.

In terms of inflation and interest rates, the Federal Reserve Board (the Fed) has signaled its confidence in the economic recovery by increasing the Federal Funds target rate four times in the past several months, from 1% to 2% as of the November 10 Federal Open Market Committee meeting. Inflation, for its part, has remained in check. Investors and economists are focused on how quickly Fed policy will move from here.

With the presidential election now behind us, any politically provoked market angst should subside to some extent. The effect of oil prices, however, is more difficult to predict. At around $50 per barrel, the price of oil is clearly a concern. However, on an inflation-adjusted basis and considering modern usage levels, the situation is far from the crisis proportions we saw in the 1980s. Finally, although terrorism and geopolitical tensions are realities we are forced to live with today, history has shown us that the financial effects of any single event tend to be short-lived.

Amid the uncertainty, the Lehman Brothers Municipal Bond Index posted a 12-month return of +6.03% and a six-month return of +4.79% as of October 31, 2004. Long-term bond yields were slightly lower at October 31, 2004 than they were a year earlier. As always, our investment professionals are closely monitoring the markets, the economy and the overall environment in an effort to make well-informed decisions for the portfolios they manage. For the individual investor, the key during uncertain times is to remain focused on the big picture. Investment success comes not from reacting to short-term volatility, but from maintaining a long-term perspective and adhering to the disciplines of asset allocation, diversification and rebalancing. We encourage you to work with your financial advisor to ensure these time-tested techniques are incorporated into your investment plan.

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

Describe the recent market environment relative to municipal bonds.

Over the past 12 months, amid considerable monthly volatility, long-term U.S. Treasury bond yields generally moved lower -- despite an increase in short-term interest rates by the Federal Reserve Board (the Fed).

As the period began, long-term Treasury yields declined while their prices, which move in the opposite direction, rose. Somewhat surprisingly, this increase in bond prices came as the U.S. economy continued to improve. However, solid job creation remained elusive, producing a drag on consumer confidence. Against this backdrop, investors became convinced that the Fed would hold short-term interest rates near their historic lows, and by mid-March 2004, yields on 30-year U.S. Treasury bonds had declined to 4.65%.

In early April, however, monthly jobs reports began to show unexpectedly large gains. Consumer confidence increased, and investors started to anticipate that the Fed would soon be forced to raise short-term interest rates to ward off potential inflation. Yields rose in response, with long-term Treasury bond yields surpassing 5.50% early in June 2004.

For the rest of the period, bond yields generally fell (and prices rose) as payroll growth began to wane and inflation appeared negligible. Although the Fed embarked on a tightening cycle with a 25 basis point (.25%) interest rate hike in June, it also telegraphed its intention to continue raising rates at a measured pace, removing earlier concerns about the potential for more dramatic increases in the near future. Despite additional Fed rate hikes in August and September, the prospect for a moderate tightening of monetary policy helped support higher bond prices, and lower yields, for the remainder of the Fund's fiscal year. By October 31, 2004, the 30-year Treasury bond yield stood at 4.79%, a decline of 34 basis points from a year earlier. The yield on the 10-year U.S. Treasury note was 4.02%, a 27 basis point drop during the same 12-month period.

While tax-exempt bond yields followed the same pattern as their taxable counterparts, volatility in the municipal market was more subdued. Yields on long-term revenue bonds, as measured by the Bond Buyer Revenue Bond Index, fell 27 basis points during the past 12 months. According to Municipal Market Data, yields on AAA-rated issues maturing in 30 years declined 22 basis points to 4.60%, while yields on 10-year AAA-rated issues dropped 28 basis points to 3.40%.

The tax-exempt market was supported by generally positive supply/demand dynamics. While more than $360 billion in new long-term tax-exempt bonds was issued in the past 12 months, this represented a decline of approximately 6% compared to the previous year. The declining supply amid favorable demand allowed tax-exempt bond prices to perform in line with the taxable market.

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

For the 12-month period ended October 31, 2004, the Common Stock of MuniYield Quality Fund II, Inc. had net annualized yields of 6.25% and 6.76%, based on a year-end per share net asset value of $13.72 and a per share market price of $12.69, respectively, and $.858 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +9.32%, based on a change in per share net asset value from $13.44 to $13.72, and assuming reinvestment of ordinary income dividends.

The Fund's total return, based on net asset value, surpassed that of its comparable Lipper category of Insured Municipal Debt Funds (Leveraged), which had an average return of +7.41% for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.)

The 12-month results are primarily attributed to the Fund's above-average yield, which allowed the Fund to outperform despite our maintaining a defensive market posture. (That is, we were positioned for rising interest rates, while long-term rates actually declined modestly year over year.) Notably, the Fund increased its dividend during the year and continued to provide shareholders with above-average monthly income.

Fund results also benefited significantly from the outperformance of the portfolio's uninsured credits. Among other things, within our permissible 20% uninsured basket, we took advantage of an attractive buying opportunity in

California general obligation bonds, and this factored favorably into the 12-month returns. Finally, the advance refunding of several credits in the portfolio also benefited performance. When municipal bonds are advance refunded, or refinanced ahead of their maturity date, their prices generally increase sharply, particularly when the yield curve is relatively steep.

For the six-month period ended October 31, 2004, the total investment return on the Fund's Common Stock was +7.33%, based on a change in per share net asset value from $13.24 to $13.72, and assuming reinvestment of ordinary income dividends.

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 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 returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

We did not significantly alter the Fund's structure or our investment strategy over the past 12 months. When making new purchases, we tended to target longer-dated bonds, generally in the 25-year area. The municipal yield curve flattened out past this range; therefore, there was no significant yield to be gained by extending further out. We also continued to favor premium-coupon bonds, when available. This supports our defensive market posture, in that these bonds offer coupon protection when interest rates move higher.

As California grappled with fiscal challenges, we took advantage of the heavy supply and relatively low prices by making purchases of state-issued bonds throughout the year. We were able to buy the bonds at attractive spreads relative to national municipal issues and historic norms for the state. We expect these holdings should continue to benefit Fund performance as California's finances continue to improve and state bonds begin trading at more typical levels.

We generally maintained the Fund's fully invested position throughout the period, seeking to enhance shareholder income. With short-term interest rates still near historic lows, the cost of holding cash reserves would have been relatively high in terms of its impact on performance.

For the six-month period ended October 31, 2004, the Fund's Auction Market Preferred Stock (AMPS) had an average yield of 1.31% for Series A, 1.14% for Series B and 1.10% for Series C. These attractive funding levels, in combination with a positively sloped yield curve, continued to provide a generous income benefit to the Common Stock shareholder from the leveraging of Preferred Stock. While the Fed is likely to continue raising short-term interest rates, the increases are expected to be gradual and should not have an immediate material impact on the positive advantage leverage has had on the Fund's Common Stock yield. 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. At the end of the period, the Fund's leverage amount, due to AMPS, was 32.86% of total net assets. (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 Fund's position at the close of the period?

We remain focused on premium-coupon bonds and continue to favor maturities in the 25-year range. We maintained our defensive market posture at the close of the period in recognition of improving economic conditions, including stronger, albeit still inconsistent, employment growth. We believe this positioning prepares the Fund for relative strong performance once interest rates inevitably begin to rise. With the Fed expected to continue its monetary tightening policy, long-term market rates should eventually begin to follow short-term rates higher. (In fact, the Fed increased its target interest rate another 25 basis points shortly after the close of the reporting period, on November 10.) In the meantime, our fully invested stance should continue to provide a material benefit to Common Stock shareholders as short-term interest rates remain relatively low.

Michael A. Kalinoski, CFA
Vice President and Portfolio Manager

November 10, 2004

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Schedule of Investments (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Alaska--0.5%	AAA	Aaa	$ 1,400	Alaska State International Airports Revenue B due 10/01/2019 (a)
Arizona--1.0%	AAA	Aaa	2,700	Northern Arizona University System Revenue Bo due 6/01/2034 (c)

California--20.2%	AAA	Aaa	8,150	Alameda Corridor Transportation Authority, Ca Refunding Bonds, Subordinated Lien, Series A, due 10/01/2025 (a)
	AAA	Aaa	2,500	California Health Facilities Financing Author (Kaiser Permanente), RIB, Series 26, 8.92% du
	AAA	Aaa	2,490	California State Department of Water Resource Bonds, Series A, 5.375% due 5/01/2022 (i)
				California State, GO, Refunding:
	A	A3	2,800	5.25% due 9/01/2026
	AAA	Aaa	5,300	5.25% due 2/01/2030 (i)
	AAA	Aaa	1,780	5.25% due 2/01/2030 (h)
	AAA	NR*	1,950	ROLS, Series II-R-272, 8.648% due 2/01/
				California State, Various Purpose, GO:
	A	A3	2,750	5.25% due 11/01/2029
	A	A3	6,500	5.50% due 11/01/2033
	AAA	Aaa	2,770	Fairfield-Suisun, California, Unified School of 2002), 5.50% due 8/01/2028 (i)
				Golden State Tobacco Securitization Corporati Tobacco Settlement Revenue Bonds, Series B:
	A-	Baa1	2,750	5.60% due 6/01/2028
	AAA	Aaa	2,050	5.50% due 6/01/2033 (h)
	AAA	Aaa	1,300	5.625% due 6/01/2033 (h)
	AAA	Aaa	7,075	5.625% due 6/01/2038 (b)
	AAA	Aaa	2,300	5.50% due 6/01/2043 (h)
	AAA	Aaa	2,815	John Swett Unified School District, Californi due 8/01/2026 (f)
	AAA	Aaa	1,250	Poway, California, Redevelopment Agency, Tax Bonds (Paguay Redevelopment Project), 5.125%
	AA	Aa3	3,650	Sacramento County, California, Sanitation Dis Authority Revenue Refunding Bonds, Trust Rece A, 9.885% due 12/01/2019 (l)
Colorado--11.4%	AAA	NR*	11,020	Colorado Department of Transportation Revenue Series 249, 9.941% due 6/15/2014 (a)(l)
				Colorado Health Facilities Authority Revenue
	AA	Aa2	1,150	(Catholic Health Initiatives), 5.50% du
	AA	NR*	1,200	(Covenant Retirement Communities Inc.), due 12/01/2027 (k)
	AA	NR*	675	(Covenant Retirement Communities Inc.), due 12/01/2033 (k)
				Colorado Housing and Finance Authority, Reven AMT (i):
	AAA	Aaa	630	(S/F Program), Series A-2, 6.45% due 4/
	AAA	Aaa	1,995	(S/F Program), Series B-2, 6.80% due 2/
	AAA	Aaa	155	(S/F Program), Series C-1, 7.65% due 12
	AAA	Aaa	725	Series E-2, 7% due 2/01/2030 (i)
	AAA	Aaa	14,950	Northwest Parkway, Colorado, Public Highway A Appreciation Revenue Bonds, Senior Convertibl due 6/15/2025 (f)
	AAA	Aaa	1,735	Northwest Parkway, Colorado, Public Highway A 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
EDA	Economic Development Authority

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
ROLS	Reset Option Longs
S/F	Single-Family

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Connecticut--3.9%	NR*	NR*	$ 1,100	Connecticut State Regional Learning Education Revenue Bonds (Office/Education Center Facili due 2/01/2006 (j)
	AAA	NR*	9,325	Connecticut State Resource Recovery Authority Bonds, DRIVERS, Series 187, 8.97% due 11/15/2
Georgia--3.9%	AAA	Aaa	5,000	Atlanta, Georgia, Airport General Revenue Ref 5.25% due 1/01/2033 (f)
	AAA	Aaa	6,000	Atlanta, Georgia, Airport Revenue Refunding B due 1/01/2017 (c)
Illinois--20.9%	AAA	Aaa	3,250	Chicago, Illinois, Board of Education, GO (Ch Project), Series A, 5.25% due 12/01/2030 (a)
	AAA	Aaa	3,500	Chicago, Illinois, Gas Supply Revenue Refundi Light & Coke), Series A, 6.10% due 6/01/2025
	AAA	Aaa	6,000	Chicago, Illinois, O'Hare International Airpo Airport Revenue Refunding Bonds, 3rd Lien, AM due 1/01/2022 (i)
				Chicago, Illinois, O'Hare International Airpo Lien, AMT, Series B-2:
	AAA	Aaa	5,200	5.75% due 1/01/2023 (f)
	AAA	Aaa	2,200	6% due 1/01/2029 (h)
	AAA	Aaa	2,830	Chicago, Illinois, Park District, GO, Refundi due 1/01/2021 (c)
	AAA	Aaa	3,000	Cook County, Illinois, Capital Improvement, G due 11/15/2026 (a)
	AAA	Aaa	10,000	Illinois Regional Transportation Authority Re due 7/01/2026 (i)
	AAA	Aaa	23,850	Illinois Sports Facilities Authority, State T Bonds, 5.274%** due 6/15/2030 (a)
	AAA	NR*	3,625	Metropolitan Pier and Exposition Authority, I State Tax Revenue Refunding Bonds, DRIVERS, S due 6/15/2023 (i)(l)
Indiana--3.8%	AAA	Aaa	2,675	Indiana Bond Bank Revenue Bonds, Guarantee St due 2/01/2005 (a)(j)
				Indiana Transportation Finance Authority, Hig Series A (c):
	AAA	Aaa	3,750	5.25% due 6/01/2028
	AAA	Aaa	3,000	5.25% due 6/01/2029
	AAA	Aaa	1,500	Indianapolis, Indiana, Local Public Improveme

				Bonds (Waterworks Project), Series A, 5.25% d
Kansas--2.2%	AAA	Aaa	1,915	Sedgwick and Shawnee Counties, Kansas, S/F Mo Bonds, AMT, Series A-2, 7.60% due 12/01/2031
	AAA	Aaa	2,665	Sedgwick and Shawnee Counties, Kansas, S/F Mo Refunding Bonds, AMT, Series A-2, 6.45% due 1
	AAA	Aaa	1,750	Sedgwick and Shawnee Counties, Kansas, S/F Re (Mortgage-Backed Securities Program), AMT, Se due 12/01/2026 (g)(i)
Louisiana--4.5%	AAA	Aaa	2,875	Jefferson Parish, Louisiana, Home Mortgage Au Revenue Bonds, AMT, Series B-1, 6.65% due 12/
	AAA	Aaa	3,900	Louisiana Local Government, Environmental Fac Development Authority Revenue Bonds (Capital Acquisition), Series A, 6.30% due 7/01/2030 (
	AAA	Aaa	4,650	New Orleans, Louisiana, Ernest N. Morial Exhi Special Tax, Sub-Series A, 5.25% due 7/15/202
	AAA	Aaa	1,300	Terrebonne Parish, Louisiana, Hospital Servic Hospital Revenue Bonds (Terrebonne General Me 5.50% due 4/01/2033 (a)
Massachusetts--1.6%	AAA	NR*	2,785	Massachusetts State Port Authority, Special F Bonds, DRIVERS, AMT, Series 501, 8.895% due 7
	AAA	Aaa	1,800	Massachusetts State Special Obligation Dedica 5.25% due 1/01/2028 (c)

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Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Michigan--6.9%	AAA	Aaa	$ 8,800	Detroit, Michigan, Water Supply System Revenu 5.25% due 7/01/2032 (i)
	AAA	Aaa	1,300	Michigan Higher Education Student Loan Author Revenue Refunding Bonds, AMT, Series XVII-G,
	AA+	Aaa	2,685	Michigan State HDA Revenue Refunding Bonds, S due 12/01/2015 (d)(f)
				Michigan State Strategic Fund, Limited Obliga Bonds (Detroit Edison Company Project) (h):
	AAA	Aaa	2,250	5.45% due 9/01/2029
	AAA	Aaa	1,000	AMT, Series A, 5.50% due 6/01/2030
	AAA	Aaa	3,900	AMT, Series C, 5.45% due 12/15/2032
Missouri--2.1%				Saint Louis County,Missouri, Pattonville R-3 (Missouri Direct Deposit Program) (c)(j):
	AAA	Aaa	4,000	5.75% due 3/01/2010
	AAA	Aaa	1,500	6% due 3/01/2010
Nevada--3.6%	AA	NR*	2,800	Carson City, Nevada, Hospital Revenue Bonds (Project), Series A, 5.50% due 9/01/2033 (k)
				Clark County, Nevada, Airport System Subordin

				Series A-2 (c):
	AAA	Aaa	1,500	5% due 7/01/2030
	AAA	Aaa	2,700	5% due 7/01/2036
				Director of the State of Nevada, Department o
				Revenue Bonds (Las Vegas Monorail Company Pro
	AAA	Aaa	250	5.625% due 1/01/2032
	AAA	Aaa	3,300	5.375% due 1/01/2040
New Jersey--5.3%				New Jersey EDA, Cigarette Tax Revenue Bonds:
	BBB	Baa2	2,900	5.50% due 6/15/2024
	AAA	Aa2	1,700	5.50% due 6/15/2024 (m)
	BBB	Baa2	1,070	5.75% due 6/15/2029
	BBB	Baa2	500	5.50% due 6/15/2031
				New Jersey EDA, Motor Vehicle Surcharge Reven
	AAA	Aaa	2,400	5% due 7/01/2029
	AAA	Aaa	4,800	5.25% due 7/01/2033
	AAA	NR*	2,000	New Jersey EDA, Revenue Bonds, ROLS, Series I due 6/15/2031 (l)(m)
New Mexico--2.4%	AAA	Aaa	6,295	New Mexico State Highway Commission, Tax Reve Sub-Lien, Series A, 6% due 6/15/2010 (f)(j)
New York--10.3%	AAA	Aaa	9,280	Nassau Health Care Corporation, New York, Hea Bonds, 5.75% due 8/01/2009 (f)(j)
	AA+	Aa2	2,500	New York City, New York, City Transitional Fi Refunding Bonds, Future Tax Secured, Series C
	AAA	Aaa	4,000	New York City, New York, GO, Series D, 5.875%
	AAA	Aaa	5,000	New York State Dormitory Authority Revenue Re University Educational Facilities), 5.75% due
	AAA	Aaa	7,115	Tobacco Settlement Financing Corporation of N Series A-1, 5.25% due 6/01/2022 (a)
North Carolina--1.7%	BBB	Baa2	5,000	Martin County, North Carolina, Industrial Fac Control Financing Authority Revenue Bonds (So Disposal--Weyerhaeuser Company), AMT, 6.80% d
Ohio--2.4%				Plain, Ohio, Local School District, GO, Refun
	NR*	Aaa	5,120	6% due 6/01/2011 (j)
	NR*	Aaa	1,170	6% due 12/01/2020

Schedule of Investments (continued) (in Thousands)

State	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Pennsylvania--6.8%	AAA	Aaa	$ 600	Allegheny County, Pennsylvania, Sanitation Au Bonds, 5.50% due 12/01/2030 (i)
	NR*	Aaa	3,335	Delaware River Port Authority of Pennsylvania Bonds, RIB, Series 396, 9.933% due 1/01/2019
	AAA	Aaa	5,500	Pennsylvania State Public School Building Aut Revenue Bonds (The School District of Philade due 6/01/2033 (f)
	AAA	Aaa	3,230	Philadelphia, Pennsylvania, Authority for Ind

				Lease Revenue Bonds, Series B, 5.50% due 10/0
	AAA	Aaa	4,500	Philadelphia, Pennsylvania, School District, due 8/01/2022 (c)
	AAA	Aaa	1,600	Washington County, Pennsylvania, Capital Fund Bonds (Capital Projects and Equipment Program due 12/01/2029 (a)
Rhode Island--1.4%	AAA	Aaa	4,010	Rhode Island State Health and Educational Bui Higher Education Facilities Revenue Bonds (Un Island), Series A, 5.70% due 9/15/2024 (i)
South Carolina--1.7%	AAA	NR*	2,250	South Carolina State Public Service Authority Bonds, DRIVERS, Series 277, 9.438% due 1/01/2
	NR*	A1	2,500	Spartanburg County, South Carolina, Solid Was Revenue Bonds (BMW Project), AMT, 7.55% due 1
Tennessee--2.7%	AAA	Aaa	7,365	Chattanooga, Tennessee, IDB, Lease Rent Reven Redevelopment Corporation), 5.875% due 10/01/
Texas--12.0%	NR*	A3	4,000	Austin, Texas, Convention Center Revenue Bond Enterprises Inc.), Trust Certificates, Second due 1/01/2032
	AAA	Aaa	2,730	Corpus Christi, Texas, Utility System Revenue Series A, 6% due 7/15/2016 (f)
	AAA	NR*	3,250	Dallas-Fort Worth, Texas, International Airpo Bonds, DRIVERS, AMT, Series 202, 9.911% due 1
				Dickinson, Texas, Independent School District
	AAA	Aaa	1,180	6% due 2/15/2017
	AAA	Aaa	1,250	6% due 2/15/2018
	AA	Baa2	4,000	Gregg County, Texas, Health Facilities Develo Hospital Revenue Bonds (Good Shepherd Medical 6.875% due 10/01/2020 (k)
	AAA	Aaa	1,900	Houston, Texas, Airport System Revenue Refund Series B, 5.50% due 7/01/2030 (f)
	A-	A3	3,500	Lower Colorado River Authority, Texas, PCR (S Semiconductor), AMT, 6.375% due 4/01/2027
				Texas State Turnpike Authority, Central Texas Revenue Bonds, First Tier, Series A (a):
	AAA	Aaa	4,800	5.75% due 8/15/2038
	AAA	Aaa	3,600	5.50% due 8/15/2039
	AAA	Aaa	1,000	University of Houston, Texas, University Reve due 2/15/2030 (i)
	AAA	NR*	1,900	White Settlement, Texas, Independent School D due 8/15/2034
Virginia--3.0%	AAA	Aaa	2,100	Halifax County, Virginia, IDA, Exempt Facilit Bonds (Old Dominion Electric Cooperative Proj due 6/01/2028 (a)
	BB	Ba2	26,500	Pocahontas Parkway Association, Virginia, Tol Senior Series B, 5.875%** due 8/15/2024
Washington--6.3%	AAA	Aaa	2,150	King County, Washington, Sewer Revenue Refund 5.50% due 1/01/2027 (f)
	AAA	Aaa	7,470	Port Seattle, Washington, Revenue Bonds, AMT, due 2/01/2016 (i)
	AAA	Aaa	1,600	Port of Tacoma, Washington, Revenue Refunding due 12/01/2034 (a)
	AAA	Aaa	6,150	Seattle, Washington, Municipal Light and Powe due 10/01/2019 (i)

[LOGO] Merrill Lynch Investment Managers

Schedule of Investments (concluded) (in Thousands)

	S&P Ratings+	Moody's Ratings+	Face Amount	Municipal Bonds
Puerto Rico--3.7%	AAA	Aaa	$ 5,000	Puerto Rico Commonwealth, Highway and Transpo Transportation Revenue Bonds, Series B, 6% du
	NR*	Aaa	3,250	Puerto Rico Electric Power Authority, Power R RIB, Series 449X, 8.99% due 7/01/2016 (a)(l)
	AAA	Aaa	2,500	Puerto Rico Municipal Finance Agency, GO, Ser due 8/01/2023 (f)
				Total Municipal Bonds (Cost--$421,620)--146.2

Shares Held	Short-Term Securities
2,866	Merrill Lynch Institutional Tax-Exempt Fund (
	Total Short-Term Securities (Cost--$2,866)--0

Total Investments (Cost--$424,486***)--147.1%

Other Assets Less Liabilities--1.8%

Preferred Stock, at Redemption Value--(48.9%)

Net Assets Applicable to Common Stock--100.0%

* Not Rated.

** Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.

*** The cost on unrealized appreciation/depreciation of investments as of October 31, 2004, as computed for federal income tax purposes, were as follows:

	(in Thousands)
Aggregate cost	$ 424,486
Gross unrealized appreciation	$ 29,005
Gross unrealized depreciation	(2,043)
Net unrealized appreciation	$ 26,962

\+ Ratings of issues shown are unaudited.

(a) AMBAC Insured.

(b) CIFG Insured.
(c) FGIC Insured.
(d) FHA Insured.
(e) FNMA/GNMA Collateralized.
(f) FSA Insured.
(g) GNMA Collateralized.
(h) XL Capital Insured.
(i) MBIA Insured.
(j) Prerefunded.
(k) Radian Insured.
(l) 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, 2004.
(m) ACA Insured.
(n) 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) were as follows:

(in Thousands)

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(6,500)	$60

Forward interest rate swaps outstanding as of October 31, 2004 were as follows:

(in Thousands)

	Notional Amount	Unrealized Depreciation
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.156% interest		
Broker, J.P. Morgan Chase Bank Expires December 2024	$26,000	$(556)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 3.599% interest		
Broker, J.P. Morgan Chase Bank Expires December 2014	$15,000	(190)
Receive a variable rate equal to 7-Day Bond Market Association Municipal Swap Index Rate and pay a fixed rate equal to 4.073% interest		
Broker, Morgan Stanley Capital Services, Inc. Expires March 2025	$19,000	(34)
Total		$(780)

See Notes to Financial Statements.

Statement of Net Assets

As of October 31, 2004

Assets

Investments in unaffiliated securities, at value (identified cost--$421,620,683)	
Investments in affiliated securities, at value (identified cost--$2,865,752)	
Cash	
Receivables:	
Securities sold	$ 14,8
Interest	7,7
Dividends from affiliates	
Prepaid expenses	
Total assets	

Liabilities

Unrealized depreciation on forward interest rate swaps	
Payables:	
Securities purchased	15,9
Investment adviser	2
Dividends to Common Stock shareholders	2
Other affiliates	
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* authorized, 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	$ 5,6
Accumulated realized capital losses--net	(39,0

Unrealized appreciation--net	26,1
Total accumulated losses--net	
Total--Equivalent to $13.72 net asset value per share of Common Stock (market price--$12.69)	

* Auction Market Preferred Stock.

See Notes to Financial Statements.

[LOGO] Merrill Lynch Investment Managers

Statement of Operations

For the Year Ended October 31, 2004

Investment Income		
	Interest	
	Dividends from affiliates	
	Total income	

Expenses		
	Investment advisory fees	$ 2,2
	Commission fees	3
	Accounting services	1
	Transfer agent fees	
	Professional fees	
	Printing and shareholder reports	
	Custodian fees	
	Directors' fees and expenses	
	Listing fees	
	Pricing fees	
	Other	
	Total expenses before reimbursement	3,0
	Reimbursement of expenses	(
	Total expenses after reimbursement	
	Investment income--net	

Realized & Unrealized Gain (Loss)--Net		
	Realized loss on:	
	Investments--net	(2
	Forward interest rate swaps--net	(4,3
	Change in unrealized appreciation/depreciation on:	

Investments--net	10,5
Forward interest rate swaps--net	(1
Total realized and unrealized gain--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

	F
Increase (Decrease) in Net Assets:	20
Operations	
Investment income--net	$ 21,0
Realized gain (loss)--net	(4,6
Change in unrealized appreciation/depreciation--net	10,4
Dividends to Preferred Stock shareholders	(1,5
Net increase in net assets resulting from operations	25,3
Dividends to Common Stock Shareholders	
Investment income--net	(19,1
Net decrease in net assets resulting from dividends to Common Stock shareholders	(19,1
Net Assets Applicable to Common Stock	
Total increase in net assets applicable to Common Stock .	6,2
Beginning of year	300,5
End of year*	$ 306,7
* Undistributed investment income--net	$ 5,6

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.

	For the Year Ended Octo		
Increase (Decrease) in Net Asset Value:	2004	2003	2002
Per Share Operating Performance			
Net asset value, beginning of year	$ 13.44	$ 13.27	$ 13.21
Investment income--net	.94+	.97+	.94
Realized and unrealized gain--net .	.27	.09	--++
Dividends to Preferred Stock shareholders from investment income--net	(.07)	(.07)	(.10)
Total from investment operations ..	1.14	.99	.84
Less dividends to Common Stock shareholders from investment income--net	(.86)	(.82)	(.78)
Net asset value, end of year	$ 13.72	$ 13.44	$ 13.27
Market price per share, end of year	$ 12.69	$ 12.18	$ 11.75
Total Investment Return*			
Based on net asset value per share	9.32%	8.28%	7.27%
Based on market price per share ...	11.57%	10.83%	3.95%
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of reimbursement**	1.01%	1.03%	1.06%
Total expenses**	1.02%	1.03%	1.06%
Total investment income--net**	7.00%	7.17%	7.26%
Amount of dividends to Preferred Stock shareholders	.51%	.50%	.78%
Investment income--net, to Common Stock shareholders	6.49%	6.67%	6.48%
Ratios Based on Average Net Assets of Common & Preferred Stock**			
Total expenses, net of reimbursement	.68%	.68%	.70%

Total expenses	.68%	.69%	.70%
Total investment income--net	4.68%	4.79%	4.79%
Ratios Based on Average Net Assets of Preferred Stock			
Dividends to Preferred Stock shareholders	1.04%	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 Octo		
	2004	2003	2002
Supplemental Data			
Net assets applicable to Common Stock, end of year (in thousands)	$306,764	$300,502	$296,847
Preferred Stock outstanding, end of year (in thousands)	$150,000	$150,000	$150,000
Portfolio turnover	32.30%	42.06%	42.89%
Leverage			
Asset coverage per $1,000	$ 3,045	$ 3,003	$ 2,979
Dividends Per Share on Preferred Stock Outstanding			
Series A--Investment income--net ..	$ 271	$ 276	$ 390
Series B--Investment income--net ..	$ 253	$ 240	$ 388
Series C--Investment income--net ..	$ 252	$ 235	$ 351

* 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.

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 U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily 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 values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general direction of the Board of Directors. Such valuations and procedures will be reviewed periodically by the Board of Directors of the Fund. 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's pricing service. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, under which method the investment is valued at cost and any premium or discount is amortized on a straight line basis to maturity. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other 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.

(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 movements 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. 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 may 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.

(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. The Investment Adviser has agreed to reimburse its management fee by the amount of management fees the Fund pays to FAM indirectly through its investment in Merrill Lynch Institutional Tax-Exempt Fund. For the year ended October 31, 2004, FAM reimbursed the Fund in the amount of $12,710.

In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), an affiliate of FAM, received $2,000 in commissions on the execution of portfolio security transactions for the Fund for the year ended October 31, 2004.

For the year ended October 31, 2004, the Fund reimbursed FAM $8,773 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, 2004 were $148,213,165 and $142,630,993, respectively.

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 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, 2004 were as follows: Series A, 1.40%; Series B, 1.40%; and Series C, 1.60%.

Notes to Financial Statements (concluded)

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, 2004, MLPF&S earned $171,550 as commissions.

5. Distributions to Shareholders:

The Fund paid a tax-exempt income dividend to holders of Common Stock in the amount of $.072000 per share on November 29, 2004 to shareholders of record on

November 12, 2004.

The tax character of distributions paid during the fiscal years ended October 31, 2004 and October 31, 2003 was as follows:

	10/31/2004	10/31/2003
Distributions paid from:		
Tax-exempt income	$20,675,645	$19,888,257
Total distributions	$20,675,645	$19,888,257

As of October 31, 2004, the components of accumulated losses on a tax basis were as follows:

Undistributed tax-exempt income -- net	$ 5,625,994
Undistributed long-term capital gains -- net	--
Total undistributed earnings -- net	5,625,994
Capital loss carryforward	(37,686,418)*
Unrealized gains -- net	24,824,574**
Total accumulated losses -- net	$ (7,235,850)

* On October 31, 2004, the Fund had a net capital loss carryforward of $37,686,418, of which $4,975,019 expires in 2007, $26,079,903 expires in 2008, $1,096,837 expires in 2010 and $5,534,659 expires in 2012. 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.

Report of Independent Registered Public Accounting Firm

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, 2004, 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 the standards of the Public Company Accounting Oversight Board (United States). 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, 2004, 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, 2004, 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 U.S. generally accepted accounting principles.

Deloitte & Touche LLP

Princeton, New Jersey
December 14, 2004

Important Tax Information (unaudited)

All of the net investment income distributions paid by MuniYield Quality Fund II, Inc. during the taxable year ended October 31, 2004 qualify as tax-exempt interest dividends for federal income tax purposes.

Please retain this information for your records.

[LOGO] Merrill Lynch Investment Managers

Automatic Dividend Reinvestment Plan (unaudited)

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.

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: 64	President and Director	1999 to present	President of the Merrill Lynch Investment Manage 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 MLIM and FAM (which terms as used herein include their corporate predecessors) from 1983 to 2002; President of FA Distributors, Inc. ("FAMD") from 1986 to 2002 an Director thereof from 1991 to 2002; Executive Vi President and Director of Princeton Services, In ("Princeton Services") from 1993 to 2002; Presid of Princeton Administrators, L.P. from 1989 to 2 Director of Financial Data Services, Inc. since

* Mr. Glenn is a director, trustee or member of an advisory board of certain other in or FAM acts as investment adviser. Mr. Glenn is an "interested person," as describe the Fund based on his present and former positions with MLIM, FAM, FAMD, Princeton

Administrators, L.P. The Director's term is unlimited. Directors serve until their
until December 31 of the year in which they turn 72. As Fund President, Mr. Glenn s
of Directors.

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
Independent Directors*				
James H. Bodurtha	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 60	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: 69	Director	2002 to present	Member of the Committee of Investment of Employee Benefit Assets of the Association of Financial Professionals ("CIEBA") since 1986; Member of CIEBA's Executive Committee since 1988 and its Chairman from 1991 to 1992; Assistant Treasurer of International Business Machines Corporation ("IBM") and Chief Investment Officer of IBM Retirement Funds from 1986 to 1993; Member of the Investment Advisory Committee 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 200 Director, Duke University Management Company from 1992 to 2004, Vice Chairman thereof from 1998 to 2004 and Director Emeritus thereof since 2004; Director, LaSalle Street Fund from 1995 to 2001; Director, Kimco Realty Corporation since 1 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 its Vice Chairman 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 2

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)				
Herbert I. London	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 65	Director	1992 to present	John M. Olin Professor of Humanities, New York University since 1993 and Professor thereof sinc 1980; President, Hudson Institute since 1997 and Trustee thereof since 1980; Dean, Gallatin

				Division of New York University from 1976 to 199 Distinguished Fellow, Herman Kahn Chair, Hudson Institute from 1984 to 1985; Director, Damon Cor from 1991 to 1995; Overseer, Center for Naval Analyses from 1983 to 1993.
Roberta Cooper Ramo	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 62	Director	1999 to present	Shareholder, Modrall, Sperling, Roehl, Harris & Sisk, P.A. since 1993; President, American Bar Association from 1995 to 1996 and Member of the Board of Governors thereof from 1994 to 1997 Shareholder, Poole, Kelly & Ramo, Attorneys at L P.C. from 1977 to 1993; Director of ECMC Group (service provider to students, schools and lende since 2001; Director, United New Mexico Bank (no Wells Fargo) from 1983 to 1988; Director, First National Bank of New Mexico (now Wells Fargo) from 1975 to 1976; Vice President, American Law Institute since 2004.
Robert S. Salomon, Jr.	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 67	Director	2002 to present	Principal of STI Management (investment adviser) since 1994; Chairman and CEO of Salomon Brothers Asset Management from 1992 to 1995; Chairman of Salomon Brothers equity mutual funds from 1992 to 1995; regular columnist with Forbes Magazine from 1992 to 2002; Director of Stock Research and U.S. Equity Strategist at Salomon Brothers from 1975 to 1991; Trustee, Commonfund from 1980 to 2001.
Stephen B. Swensrud	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 71	Director	2002 to present	Chairman of Fernwood Advisors, Inc. (investment adviser) since 1996; Principal, Fernwood Associa (financial consultants) since 1975; Chairman of R.P.P. Corporation (manufacturing company) since 1978; Director of International Mobile Communications, Incorporated (telecommunications 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: 44	Vice President and Treasurer	1993 to present and 1999 to	First Vice President of MLIM and FAM since 1997 Senior Vice President and Treasurer of Princeton 2004; since Vice President of FAMD since 1999; V 1990 to 1997; Director of MLIM Taxation since 19

			present	
Kenneth A. Jacob	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 53	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: 40	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: 34	Vice President	2000 to present	Vice President of MLIM since 1999.
Jeffrey Hiller	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 53	Chief Compliance Officer	2004 to present	Chief Compliance Officer of the MLIM/FAM-advised Chief Compliance Officer of MLIM since 2004; Glo Morgan Stanley Investment Management from 2002 t Global Director of Compliance at Citigroup Asset Chief Compliance Officer at Soros Fund Managemen at Prudential Financial from 1995 to 2000.
Alice A. Pellegrino	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 44	Secretary	2004 to present	Director (Legal Advisory) of MLIM since 2002; Vi 2002; Attorney associated with MLIM since 1997.

* 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 -- 11 East
New York, NY 10286

Preferred Stock:

The Bank of New York
101 Barclay Street -- 7 West
New York, NY 10286

NYSE Symbol

MQT

Andre F. Perold resigned as a Director of the Fund effective October 22, 2004.

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.

Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at http://www.sec.gov. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

[LOGO] Merrill Lynch Investment Managers

Quality Profile (unaudited)

The quality ratings of securities in the Fund as of October 31, 2004 were as follows:

S&P Rating/Moody's Rating	Percent of Total Investments
AAA/Aaa	84.5%
AA/Aa	2.9
A/A	5.8
BBB/Baa	4.3
BB/Ba	1.6
NR (Not Rated)	0.3
Other*	0.6

* Includes portfolio holdings in short-term securities.

Electronic Delivery

The Fund offers 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 Web site 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.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at www.mutualfunds.ml.com; and (3) on the Securities and Exchange Commission's Web site at http://www.sec.gov. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at www.mutualfunds.ml.com and (2) on the Securities and Exchange Commission's Web site at http://www.sec.gov.

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

#16433 -- 10/04

Item 2 - Code of Ethics - 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 - Audit Committee Financial Expert - 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 F. Perold (resigned as of October 1, 2004), (3) Robert S. Salomon, Jr., and (4) Stephen B. Swensrud.

Item 4 - Principal Accountant Fees and Services

(a) Audit Fees - Fiscal Year Ending October 31, 2004 - $26,000
Fiscal Year Ending October 31, 2003 - $25,000

(b) Audit-Related Fees - Fiscal Year Ending October 31, 2004 - $3,000
Fiscal Year Ending October 31, 2003 - $5,600

The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

(c) Tax Fees - Fiscal Year Ending October 31, 2004 - $5,610
Fiscal Year Ending October 31, 2003 - $4,800

The nature of the services include tax compliance, tax advice and tax planning.

(d) All Other Fees - Fiscal Year Ending October 31, 2004 - $0
Fiscal Year Ending October 31, 2003 - $0

(e)(1) The registrant's audit committee (the "Committee") has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). However, such services will only be deemed pre-approved provided that any individual project does not exceed $5,000 attributable to the registrant or $50,000 for all of the registrants the Committee oversees. Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting.

(e)(2) 0%

(f) Not Applicable

(g) Fiscal Year Ending October 31, 2004 - $13,270,096
Fiscal Year Ending October 31, 2003 - $18,737,552

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's 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.

Regulation S-X Rule 2-01(c)(7)(ii) - $945,000, 0%

Item 5 - Audit Committee of Listed Registrants - The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)):

James H. Bodurtha
Joe Grills
Herbert I. London
Andre F. Perold (resigned as of October 1, 2004)
Roberta Cooper Ramo
Robert S. Solomon, Jr.
Stephen B. Swensrud

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -

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 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:

o 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.

o 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.

o 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.

o 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.

o 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.

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

o 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.

o 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 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 9 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 10 - Controls and Procedures

10(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.

10(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 second fiscal half-year 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 11 - Exhibits attached hereto

11(a)(1) - Code of Ethics - See Item 2

11(a)(2) - Certifications - Attached hereto

11(a)(3) - Not Applicable

11(b) - 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.

By: /s/ Terry K. Glenn

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

Date: December 13, 2004

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 13, 2004

By: /s/ Donald C. Burke

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

Date: December 13, 2004