MUNIYIELD QUALITY FUND II INC
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Annual Report
October 31, 2002

MuniYield Quality Fund II, Inc.

www.mlim.ml.com

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 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.

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.

DEAR SHAREHOLDER

For the year ended October 31, 2002, the Common Stock of MuniYield Quality Fund II, Inc. earned $.787 per share income dividends, which included earned and unpaid dividends of $.067. This represents a net annualized yield of 5.90%, based on a month-end net asset value of $13.27 per share. During the same period, the total investment return of the Fund's Common Stock was +7.27%, based on a change in per share net asset value from $13.21 to $13.27, and assuming reinvestment of $.783 per share income dividends.

For the six-month period ended October 31, 2002, the total investment return on the Fund's Common Stock was +7.01%, based on a change in per share net asset value from $12.81 to $13.27, and assuming reinvestment of $.392 per share income dividends.

For the six-month period ended October 31, 2002, the Fund's Auction Market Preferred Stock had an average yield of 1.44% for Series A, 1.45% for Series B and 1.39% for Series C.

The Municipal Market Environment

During the six-month period ended October 31, 2002, the direction of long-term fixed income interest rates was driven as much by volatile U.S. equity markets and continued worldwide political tensions as by economic fundamentals. After rising steadily early in 2002, bond yields reversed course to move sharply lower throughout most of the period. Positive economic fundamentals repeatedly were overwhelmed by falling equity valuations and declines in investor confidence. U.S. gross domestic product (GDP) activity for the first quarter of 2002 measured at 5%, considerably above the level of economic growth seen at the end of 2001. During May and June, a number of economic indicators, such as housing activity, consumer spending and weekly unemployment claims, all pointed to at least a modest economic recovery by the end of 2002. However, steady dramatic declines in U.S. equity markets led the majority of investors to conclude that the Federal Reserve Board was unlikely to increase short-term interest rates for the remainder of the year. U.S. Treasury issue prices were also boosted by erupting Middle East and India/Pakistan conflicts that led many international investors to seek the safe-haven status of U.S. Treasury securities. By the end of June 2002, long-term U.S. Treasury bond yields had declined to 5.50%, a decline of almost 35 basis points (.35%) from their recent highs in mid-March.

In late July, second quarter U.S. GDP growth was initially estimated at 1.1%. While subject to revision, this estimate suggested that continued declines in U.S. equity prices were negatively affecting not only consumer but business confidence as well and undermining much of the economic growth witnessed earlier this year. Some analysts extrapolated that recent weakness would continue, if not accelerate. This brought about forecasts that the Federal Reserve Board would soon be obliged to lower short-term interest rates both to offset equity market declines and boost consumer and business spending. The possibility of lower short-term interest rates helped push longer-term bond yields lower still during July and August. The dramatic decline in U.S. equity prices in late August and September triggered a significant fixed income rally as investors again sought the safe-haven status of U.S. Treasury securities. By the end of September, U.S. Treasury bond yields fell to 4.66%.

Bolstered by an unexpected decline in the national unemployment rate to 5.6% in early October, U.S. equity markets staged a strong rally throughout much of the month. The Standard & Poor's 500 Index rose more than 8% for the month, triggered by stronger-than-expected earnings reports from a large number of companies, such as General Electric Company, International Business Machines Corporation and Microsoft Corporation. Bond prices continued to trade in an inverse relationship to equity prices. Consequently, as stocks rallied, bond yields rose in October, despite generally weak economic releases. During October, the U.S. housing sector remained quite robust, but retail sales and industrial production slowed. By October 31, 2002, long-term U.S. Treasury bond yields rose to almost 5%, a monthly increase of more than 30 basis points. During the past six months, the yield on 30-year U.S. Treasury bonds declined over 60 basis points.

For the six-month period ended October 31, 2002, municipal bond prices also generally increased. Similar to their taxable counterparts, municipal bond yields rose in early 2002, largely on the expectation of short-term interest rate increases by the Federal Reserve Board. By late March, long-term municipal revenue bond yields, as measured by the Bond Buyer Revenue Bond Index, rose to 5.67%, their highest level in more than a year. During recent months, tax-exempt bond yields have generally declined largely in response to the positive fixed income environment engendered by falling equity valuations. The municipal bond market's price advances in tax-exempt issues, however, have not been able to keep pace with U.S. Treasury issues as municipal bonds cannot offer foreign investors the safe-haven status U.S. Treasury issues enjoy in periods of economic and financial instability. The municipal bond market's recent price advances have also been supported by the continued improvement in the tax-exempt market's technical position. Despite sizeable advances in the rate of new municipal bond issuance, investor demand has increased, allowing tax-exempt bond prices to rise. By the end of October 2002, long-term municipal revenue bond yields stood at 5.20%, a decline of more than 30 basis points during the past six months.

Investor demand has remained very positive throughout the period. The Investment Company Institute reported that thus far in 2002, municipal bond fund net cash flows remained very strong at over $17.5 billion, up nearly 80% compared to the same period in 2001. Additionally, investors received from June to August 2002 approximately $75 billion from bond maturities, proceeds from early redemptions and coupon income. Given the current weakness in U.S. equity markets, much of these monies were likely reinvested in tax-exempt products. Perhaps more importantly, short-term municipal rates have continued to move lower in response to Federal Reserve Board actions. In reaction to Federal Reserve Board interest rate reductions, short-term municipal rates have declined to the 1% - 1.50% range. As interest rates have declined, investors have extended maturities to take advantage of the steep municipal bond yield curve. The significant income sacrifice incurred by remaining in cash reserves has resulted in ongoing strong demand for municipal securities, especially in the 5-year - 15-year maturity range.

Recent performance by the tax-exempt market has been even more impressive considering the increase in new bond issuance seen thus far in 2002. Nationwide, municipalities have used present low interest rate levels both to refinance older debt and fund new capital projects. Over the past six months, more than $200 billion in new long-term municipal bonds was issued, an increase of nearly 40% compared to the same period in 2001. Nearly $100 billion in long-term tax-exempt securities was underwritten during the October quarter of 2002, an increase of over 40% compared to the October quarter of 2001 level.

In the coming months, interest rates are likely to remain volatile, with an expected upward bias. However, until equity market conditions stabilize, interest rates should remain near their current historically low levels. While recent stock market declines appear to have negatively affected economic growth in recent months, business activity is likely to accelerate going forward. While governmental stimulus in response to the September 11, 2001 attacks has been significant, the recent 50 basis point decrease in interest rates by the Federal Reserve Board should provide additional incentive to the sluggish U.S. economy. The ongoing U.S. military response to worldwide terrorism has reduced a once-sizeable Federal surplus to a material deficit. Further military action in early 2003 would likely result in higher Federal spending, deficits and increased Treasury financing. Increased Federal borrowings can be expected to put upward pressure on interest rates going forward.

Equity market declines helped push interest rates to lower levels than economic fundamentals alone would support. When U.S. equity markets stabilize and economic activity resumes, associated interest rate increases should not be extreme. Inflationary pressures have remained subdued, meaning that significant interest rate increases are unlikely. As equity valuations are likely to only gradually recover, U.S. economic recovery is also likely to be a moderate process. This suggests that the pace of any interest rate increases will be gradual. As the municipal bond market's strong technical position can be expected to remain supportive in the coming months, future tax-exempt rate increases should be more restrained than their taxable counterparts.

Portfolio Strategy

We maintained our fully invested market position and relatively strong credit profile throughout the six-month period ended October 31, 2002. The Fund also remained somewhat defensively structured as it was primarily invested in premium coupon issues and intermediate maturities. New purchases were focused on premium coupon bonds in the 20-year - 25-year maturity area. We focused on these maturities because they offered approximately 95% of maximum yield available in the entire municipal yield curve with less interest rate volatility than that associated with longer maturity bonds. Because of the exceptional steepness of the municipal bond curve, purchases of shorter maturity bonds required a significant yield sacrifice. We adopted this strategy in recognition of relatively low municipal yields within the background of a cautious economic environment. Despite significant monetary and fiscal stimulus, the U.S. economy is still facing considerable uncertainty. Additionally, international economic weakness has contributed to the headwind facing the U.S. economy. We maintained our fully invested status throughout the period in an effort to enhance shareholder income. At October 31, 2002, 94.5% of the Fund's assets were invested in securities rated A or better by at least one of the major bond rating agencies and more than 80% of the Fund's assets were invested in securities insured by AAA-rated municipal bond issuers. Looking ahead, we expect to remain essentially fully invested and to retain our relatively high credit quality profile. We will continue to seek opportunities in the market provided by new municipal issuance to purchase premium coupon issues primarily in the 20-year - 25-year maturity range.

During the six-month period ended October 31, 2002, the Fund's borrowing costs remained at very low levels, approximately 1.5%. These attractive borrowing levels in combination with a steep tax-exempt yield curve have generated a substantial income benefit to the Fund's Common Stock shareholder from the leveraging of the Preferred Stock. Further material declines in short-term interest rates would require significant easing of monetary policy by the Federal Reserve Board. While such action is not expected, an increase in short-term interest rates by the Federal Reserve Board is even less anticipated. We anticipate our short-term borrowing costs to remain at attractive levels for the foreseeable future. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and the yield to the Fund's Common Stock Shareholders will be reduced. (For a more complete explanation of the benefits and risks of leveraging, see page 1 of this report to shareholders.)

In Conclusion

We appreciate your ongoing interest in MuniYield Quality Fund II, Inc., and we look forward to serving your investment needs in the months and years to come.

Sincerely,

/s/ Terry K. Glenn

Terry K. Glenn
President and Director

/s/ Kenneth A. Jacob

Kenneth A. Jacob
Senior Vice President

/s/ John M. Loffredo

John M. Loffredo
Senior Vice President

/s/ Michael Kalinoski

Michael Kalinoski
Vice President and Portfolio Manager

November 21, 2002

SCHEDULE OF INVESTMENTS (in Thousands)

STATE	S&P Ratings++	Moody's Ratings++	Face Amount	Issue
Alabama--1.0%	AAA	NR*	$ 2,645	Birmingham, Alabama, Capital Improvement Warr 5.55% due 8/01/2021 (e)
Alaska--0.5%	AAA	Aaa	1,400	Alaska State International Airports Revenue B 5.75% due 10/01/2019 (a)
California--2.9%	AAA	NR*	2,500	California Health Facilities Finance Authorit Permanente), RIB, Series 26, 8.80% due 6/01/2
	AA	Aa3	3,650	Sacramento County, California, Sanitation Dis Authority, Revenue Refunding Bonds, Trust Rec Series A, 9.889% due 12/01/2019 (h)
	AAA	Aaa	1,450	San Diego, California, Unified School Distric Series D, 5.25% due 7/01/2024 (b)
Colorado--13.1%	AAA	NR*	11,020	Colorado Department of Transportation Revenue Series 249, 9.82% due 6/15/2014 (a)(h)
				Colorado Health Facilities Authority Revenue
	AA	Aa2	1,725	(Catholic Health Initiatives), 5.50% due 3/
	AA	NR*	1,200	(Covenant Retirement Communities), 5.50% du
	AAA	Aaa	3,000	Colorado Housing and Finance Authority, Reven Series E-2, 7% due 2/01/2030 (e)
				Colorado Housing and Finance Authority, Reven (S/F Program):
	AAA	NR*	1,585	AMT, Series A-2, 6.45% due 4/01/2030 (e)
	AAA	Aaa	3,000	AMT, Series A-2, 6.50% due 8/01/2031 (e)
	AAA	Aaa	3,470	AMT, Series B-2, 6.80% due 2/01/2031 (e)
	AAA	Aaa	1,045	AMT, Series C-1, 7.65% due 12/01/2025 (e)(j
	AAA	Aaa	5,320	Series B-3, 6.70% due 8/01/2017 (c)
	AAA	Aaa	1,735	Northwest Parkway, Colorado, Public Highway R 5.50% due 6/15/2021 (a)
Connecticut--7.9%	AAA	Aaa	5,550	Connecticut State, GO, Series A, 6% due 4/15/
				Connecticut State Regional Learning Education Bonds (Office/Education Center Facility):
	NR*	NR*	645	7.50% due 2/01/2005
	NR*	NR*	1,100	7.75% due 2/01/2015

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 and at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
DRIVERS	Derivative Inverse Tax-Exempt Receipts
GO	General Obligation Bonds

HDA	Housing Development Authority
IDB	Industrial Development Board
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family

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SCHEDULE OF INVESTMENTS (continued) (in Thousands)

STATE	S&P Ratings++	Moody's Ratings++	Face Amount	Issue
Connecticut (concluded)	AAA	NR*	$ 9,325	Connecticut State Resource Recovery Authority Bonds, DRIVERS, Series 187, 8.89% due 11/15/2
	NR*	Aaa	2,750	Connecticut State Special Tax Obligation Reve Series 372, 9.923% due 12/01/2017 (b)(h)
Georgia--4.7%				Atlanta, Georgia, Airport Revenue Refunding B
	AAA	Aaa	7,850	5.875% due 1/01/2017
	AAA	Aaa	1,500	5.60% due 1/01/2030
	AAA	Aaa	3,400	Georgia Municipal Electric Authority, Power R Series Z, 5.50% due 1/01/2020 (e)
Illinois--14.0%	AAA	Aaa	3,500	Chicago, Illinois, Gas Supply Revenue Refundi Light & Coke), Series A, 6.10% due 6/01/2025
	AAA	Aaa	2,830	Chicago, Illinois, Park District, GO, Refundi due 1/01/2021 (b)
	AAA	Aaa	450	Chicago, Illinois, S/F Mortgage Revenue Bonds due 10/01/2033 (k)
	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 (e)(i)
				Illinois State, GO, First Series:
	AAA	Aaa	1,000	5.50% due 2/01/2018 (b)
	AAA	Aaa	7,000	5.625% due 6/01/2025 (e)
	NR*	Aaa	6,000	Illinois Student Assistance Commission, Stude Refunding Bonds, AMT, Senior Series BB, 6.75%
	AAA	NR*	3,625	Metropolitan Pier and Exposition Authority, I Tax Revenue Refunding Bonds, DRIVERS, Series due 6/15/2023 (b)(h)
Indiana--2.1%	AAA	NR*	2,675	Indiana Bond Bank Revenue Bonds, Guarantee St due 2/01/2017 (a)

	AA	NR*	3,100	Indianapolis, Indiana, Local Public Improveme Refunding Bonds, Series D, 6.75% due 2/01/202
Kansas--5.1%	AAA	NR*	5,790	Sedgwick and Shawnee Counties, Kansas, S/F Mo Bonds, AMT, Series A-2, 7.60% due 12/01/2031
	AAA	Aaa	2,855	Sedgwick and Shawnee Counties, Kansas, S/F Mo Refunding Bonds, AMT, Series A-2, 6.45% due 1
	AAA	Aaa	4,680	Sedgwick and Shawnee Counties, Kansas, S/F Re Series A-1, 6.875% due 12/01/2026 (d)(e)
Kentucky--1.1%	BBB	Baa2	3,000	Perry County, Kentucky, Solid Waste Disposal (TJ International Project), AMT, 7% due 6/01/
Louisiana--3.4%	AAA	Aaa	5,000	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 (
Massachusetts--2.2%	AAA	Aaa	725	Massachusetts State, GO, Refunding, Consolida 5.375% due 8/01/2022 (e)
				Massachusetts State Health and Educational Fa Revenue Refunding Bonds (New England Memorial
	NR*	Ca	2,001	6% due 7/01/2008
	NR*	Ca	3,478	6.125% due 7/01/2013
	NR*	Aa3	4,200	Massachusetts State Revenue Bonds, RIB, Serie 12/15/2014 (h)
Michigan--2.7%	AAA	Aaa	1,855	Brown City, Michigan, Community School Distri GO, 5.50% due 5/01/2019 (b)
	AAA	Aaa	1,800	Byron Center, Michigan, Public Schools, GO, 5
	AAA	NR*	1,300	Michigan Higher Education Student Loan Author Refunding Bonds, AMT, Series XVII-G, 5.20% du
	AAA	Aaa	2,685	Michigan State, HDA, Revenue Refunding Bonds, 12/01/2015 (c)(j)
Missouri--2.1%				Saint Louis County, Missouri, Pattonville R-3 (Missouri Direct Deposit Program) (b):
	AAA	Aaa	2,000	5.75% due 3/01/2015
	AAA	Aaa	2,000	5.75% due 3/01/2016
	AAA	Aaa	1,500	6% due 3/01/2019
Nevada--1.7%	AAA	Aaa	4,500	Las Vegas New Convention and Visitors Authori due 7/01/2013 (a)
New Hampshire--0.8%	AAA	Aaa	2,350	New Hampshire State Business Finance Authorit Service Company of New Hampshire Project), Se due 5/01/2021 (e)
New Jersey--4.4%	AAA	Aaa	5,000	Cape May County, New Jersey, Industrial Pollu Authority, Revenue Refunding Bonds (Atlantic Project), Series B, 7% due 11/01/2029 (e)
	AAA	Aaa	1,540	New Jersey State Transportation Trust Fund Au

				System Revenue Refunding Bonds, Series B, 6%
	AAA	Aaa	5,000	Salem County, New Jersey, Industrial Pollutio Authority, Revenue Refunding Bonds (Public Se RIB, Series 380, 10.37% due 6/01/2031 (e)(h)
New Mexico--5.8%	AAA	Aaa	2,300	New Mexico Mortgage Finance Authority, S/F Pr AMT, Series E-2, 6.25% due 7/01/2029 (e)(k)
				New Mexico State Highway Commission, Tax Reve Sub-Lien, Series A (c):
	AAA	Aaa	7,295	6% due 6/15/2014
	AAA	Aaa	5,495	6% due 6/15/2015
New York--13.6%	AAA	Aaa	9,280	Nassau Health Care Corporation, New York, Hea 5.75% due 8/01/2022 (c)
	AA+	Aa2	2,500	New York City, New York, City Transitional Fi Refunding Bonds, Future Tax Secured, Series C
				New York City, New York, GO:
	AAA	Aaa	4,000	Series D, 5.875% due 6/01/2021 (e)
	AAA	Aaa	1,000	Series E, 5.75% due 5/15/2018 (l)
	AAA	Aaa	2,000	Series I, 6.25% due 4/15/2017 (l)
	AAA	Aaa	8,000	New York State Dormitory Authority, Revenue R University Educational Facilities), 5.75% due
	AAA	Aaa	9,825	New York State Mortgage Agency Revenue Bonds, 5.875% due 10/01/2015 (e)

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SCHEDULE OF INVESTMENTS (continued) (in Thousands)

STATE	S&P Ratings++	Moody's Ratings++	Face Amount	Issue
North Carolina--4.1%	BBB	Baa2	$10,500	Martin County, North Carolina, Industrial Fac Control Financing Authority Revenue Bonds (So Disposal--Weyerhaeuser Company), AMT, 6.80% d
	AAA	Aaa	1,000	Randolph County, North Carolina, COP, 5.50% d
Ohio--2.5%				Plain, Ohio, Local School District, GO, Refun
	NR*	Aaa	5,120	6% due 6/1/2011 (g)
	NR*	Aaa	1,170	6% due 12/01/2020
Pennsylvania--4.9%	NR*	Aaa	3,335	Delaware River Port Authority of Pennsylvania Bonds, RIB, Series 396, 9.873% due 1/01/2019
	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 (b)
	AAA	Aaa	2,000	Washington County, Pennsylvania, Capital Fund Bonds (Capital Projects and Equipment Program
Rhode Island--1.4%	AAA	Aaa	4,010	Rhode Island State Health and Educational Bui Education Facilities Revenue Bonds (Universit Series A, 5.70% due 9/15/2024 (e)
South Carolina-- 4.8%	A-	A2	5,765	Berkeley County, South Carolina, Pollution Co Refunding Bonds (South Carolina Electric and due 10/01/2014
	AAA	NR*	2,950	Fairfield County, South Carolina, PCR (South Gas), 6.20% due 9/01/2014 (e)
	AAA	NR*	2,250	South Carolina State Public Service Authority DRIVERS, Series 277, 9.32% due 1/01/2022 (e)(
	NR*	A1	2,500	Spartanburg County, South Carolina, Solid Was Revenue Bonds (BMW Project), AMT, 7.55% due 1
South Dakota--0.7%	AAA	Aaa	2,015	South Dakota State Health and Educational Fac Bonds (Rapid City Regional Hospital), 5.625%
Tennessee--2.7%	AAA	Aaa	7,365	Chattanooga, Tennessee, IDB, Lease Rent Reven Redevelopment Corporation), 5.875% due 10/01/
Texas--11.6%	A+	Aa3	4,000	Austin, Texas, Convention Center Revenue Bond Enterprises Inc.), Trust Certificates, Second due 1/01/2032
	AAA	Aaa	1,630	Brownsville, Texas, GO (Combined Tax and Reve Obligation), Series A, 6.50% due 2/15/2017 (b
	AAA	Aaa	2,730	Corpus Christi, Texas, Utility System Revenue Series A, 6% due 7/15/2016 (c)
	AAA	Aaa	3,000	Dallas-Fort Worth, Texas, International Airpo and Improvement Bonds, AMT, Series A, 5.50% d
				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 due 10/01/2020 (m)
				Houston, Texas, Airport System Revenue Refund
	AAA	Aaa	1,065	AMT, Series A, 5.625% due 7/01/2020
	AAA	Aaa	2,000	AMT, Series A, 5.625% due 7/01/2021
	AAA	Aaa	1,000	AMT, Series A, 5.50% due 7/01/2023
	AAA	Aaa	900	Series B, 5.50% due 7/01/2030
	BBB+	Baa1	3,500	Lower Colorado River Authority, Texas, PCR (S Semiconductor), AMT, 6.375% due 4/01/2027
	AAA	Aaa	4,800	Texas State Turnpike Authority, Central Texas Bonds, First Tier, Series A, 5.75% due 8/15/2

	AAA	Aaa	1,000	University of Houston, Texas, University Reve due 2/15/2030 (e)
Virginia--1.5%	BBB-	NR*	26,500	Pocahontas Parkway Association, Virginia, Tol Senior-Series B, 5.875%** due 8/15/2024
Washington--14.7%				Energy Northwest, Washington, Electric Revenu (Columbia Generating):
	AAA	Aaa	2,550	Series A, 5.75% due 7/01/2018 (e)
	AAA	Aaa	3,750	Series B, 6% due 7/01/2018 (a)
				King County, Washington, Issaquah School Dist
	AAA	Aa2	1,500	6.25% due 12/01/2014
	AAA	Aa2	1,900	6.25% due 12/01/2015
	AAA	Aa2	2,000	6.25% due 12/01/2016
	AAA	Aaa	2,150	King County, Washington, Sewer Revenue Refund 5.50% due 1/01/2027 (e)
				Port Seattle, Washington, Revenue Bonds, AMT,
	AAA	Aaa	7,470	6% due 2/01/2016
	AAA	Aaa	1,000	5.625% due 2/01/2024
	AAA	Aaa	6,150	Seattle, Washington, Municipal Light and Powe due 10/01/2019 (e)
	NR*	Aaa	5,000	Snohomish County, Washington, Arlington Schoo GO, 6.50% due 12/01/2015 (b)
				Washington State, Various Purpose, GO (c):
	AAA	NR*	4,250	Series A, 5.625% due 7/01/2021
	AAA	Aaa	1,400	Series C, 5.25% due 1/01/2026
West Virginia--0.4%	AAA	Aaa	1,000	West Virginia State, GO, Series D, 6.50% due
Wisconsin--3.7%				Wisconsin State, GO:
	AAA	Aaa	2,000	Series C, 5.55% due 5/01/2021 (e)
	AAA	Aaa	3,000	Series F, 5.50% due 5/01/2019 (c)
	AAA	Aaa	5,000	Wisconsin State Transportation Revenue Bonds, due 7/01/2015 (b)

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SCHEDULE OF INVESTMENTS (concluded) (in Thousands)

STATE	S&P Ratings++	Moody's Ratings++	Face Amount	Issue
Puerto Rico--5.7%	AAA	Aaa	$ 5,000	Puerto Rico Commonwealth, Highway and Transpo Transportation Revenue Bonds, Series B, 6% du

AAA	Aaa	2,375	Puerto Rico Commonwealth, Highway and Transpo Transportation Revenue Refunding Bonds, Serie 7/01/2022 (c)
NR*	Aaa	3,250	Puerto Rico Electric Power Authority, Power R RIB, Series 449X, 8.87% due 7/01/2016 (a)(h)
AAA	Aaa	2,500	Puerto Rico Municipal Finance Agency, GO, Ser due 8/01/2023 (c)
AAA	NR*	2,200	Puerto Rico Public Buildings Authority, Reven Series L, 5.50% due 7/01/2021 (l)
			Total Municipal Bonds (Cost--$420,760)--147.8

Shares Held	Common Stock
3,257	Merrill Lynch Institutional Tax-Exempt Fund+
	Total Common Stock (Cost--$3,257)--1.1%

Total Investments (Cost--$424,017)--148.9%

Variation Margin on Financial Futures Contracts***--(0.1%)

Other Assets Less Liabilities--1.8%

Preferred Stock, at Redemption Value--(50.6%)

Net Assets Applicable to Common Stock--100.0%

(a) AMBAC Insured.
(b) FGIC Insured.
(c) FSA Insured.
(d) GNMA Collateralized.
(e) MBIA Insured.
(f) Non-income producing security.
(g) Prerefunded.
(h) The interest rate is subject to change periodically and inversely based upon prevailing market rates. The interest rate shown is the rate in effect at October 31, 2002.
(i) All or a portion of security held as collateral in connection with open financial futures contracts.
(j) FHA Insured.
(k) FNMA/GNMA Collateralized.
(l) XLCA Insured.
(m) Radian Insured.
* Not Rated.
** Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.
*** Financial futures contracts sold as of October 31, 2002 were as follows:

(in Thousands)

Number of Contracts	Issue	Expiration Date	Value
350	U.S. Treasury Bonds	December 2002	$40,152
Total Financial Futures Contracts Sold (Total Contract Price--$39,162)			$40,152

\+ Investments in companies considered to be an affiliate of the Fund (such companies are defined as "Affiliated Companies" in section 2(a)(3) of the Investment Company Act of 1940) are as follows:

(in Thousands)

Affiliate	Net Share Activity	Net Cost	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	3,257	$3,257	$21

++ Ratings of issues shown are unaudited.

See Notes to Financial Statements.

Quality Profile
(unaudited)

The quality ratings of securities in the Fund as of October 31, 2002 were as follows:

S&P Rating/Moody's Rating	Percent of Total Investments
AAA/Aaa	86.3%
AA/Aa	6.2
A/A	2.0
BBB/Baa	5.0
CC/Ca	0.1
NR (Not Rated)	0.4

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MuniYield Quality Fund II, Inc., October 31, 2002

STATEMENT OF NET ASSETS

As of October 31, 2002

Assets:	Investments, at value (identified cost--$424,016,768) ....
	Cash ....
	Receivables:
	Interest ....
	Securities sold ....

	Prepaid expenses ....
	Total assets ....
Liabilities:	Payables:
	Securities purchased ....
	Dividends to Common Stock shareholders ....
	Investment adviser ....
	Variation margin ....
	Accrued expenses ....
	Total liabilities ....
Preferred Stock:	Preferred Stock, at redemption value, par value $.05 per share (2,000 Series A shares, 2,000 Series B shares and 2,000 Series C shares of AMPS* issued and outstanding at $25,000 per share liquidation preference) ....
Net Assets Applicable to Common Stock:	Net assets applicable to Common Stock ....
Analysis of Net Assets Applicable to Common Stock:	Common Stock, par value $.10 per share (22,366,930 shares issued and outstanding) ....
	Paid-in capital in excess of par ....
	Undistributed investment income--net ....
	Accumulated realized capital losses on investments--net ....
	Unrealized appreciation on investments--net ....
	Total accumulated losses--net ....
	Total--Equivalent to $13.27 net asset value per share of Common Stock (market price--$11.75) ....

* Auction Market Preferred Stock.

See Notes to Financial Statements.

STATEMENT OF OPERATIONS

	For the Year Ended October 31, 2002
Investment Income:	Interest ....
	Dividends ....
	Total income ....
Expenses:	Investment advisory fees ....
	Commission fees ....
	Accounting services ....
	Professional fees ....
	Transfer agent fees ....

	Printing and shareholder reports ....
	Listing fees ....
	Custodian fees ....
	Directors' fees and expenses ....
	Pricing fees ....
	Other ....
	Total expenses before reimbursement ....
	Reimbursement of expenses ....
	Total expenses after reimbursement ....
	Investment income--net ....
Realized & Unrealized Gain (Loss) On Investments--Net:	Realized loss on investments--net ....
	Change in unrealized appreciation/depreciation on investments--net .....
	Total realized and unrealized gain on investments--net ....
Dividends to Preferred Stock Shareholders:	Investment income--net ....
	Net Increase in Net Assets Resulting from Operations ....

See Notes to Financial Statements.

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MuniYield Quality Fund II, Inc., October 31, 2002

STATEMENTS OF CHANGES IN NET ASSETS

	Increase (Decrease) in Net Assets:
Operations:	Investment income--net ....
	Realized gain (loss) on investments--net ....
	Change in unrealized appreciation/depreciation on investments--net .....
	Dividends to Preferred Stock shareholders ....
	Net increase in net assets resulting from operations ....
Dividends to Common Stock Shareholders:	Investment income--net ....
	Net decrease in net assets resulting from dividends to Common Stock shareholders ....
Net Assets Applicable To Common Stock:	Total increase in net assets applicable to Common Stock ....
	Beginning of year ....

End of year*	....
*Undistributed investment income--net	....

\+ Certain prior year amounts have been reclassified to conform to current year presentation.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

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

	Increase (Decrease) in Net Asset Value:	For the 2002	2001
Per Share Operating Performance:+	Net asset value, beginning of year	$ 13.21	$ 12.39
	Investment income--net	.94	.94
	Realized and unrealized gain (loss) on investments--net	--++	.84
	Dividends and distributions to Preferred Stock shareholders:		
	Investment income--net	(.10)	(.22)
	Realized gain on investments--net	--	--
	In excess of realized gain on investments--net	--	--
	Total from investment operations	.84	1.56
	Less dividends and distributions to Common Stock shareholders:		
	Investment income--net	(.78)	(.74)
	Realized gain on investments--net	--	--
	In excess of realized gain on investments--net	--	--
	Total dividends and distributions to Common Stock shareholders	(.78)	(.74)
	Net asset value, end of year	$ 13.27	$ 13.21
	Market price per share, end of year	$ 11.75	$ 12.07
Total Investment Return:*	Based on market price per share	3.95%	11.70%
	Based on net asset value per share	7.27%	13.47%
Ratios Based on Average Net Assets Of Common Stock:	Total expenses**	1.06%	1.07%
	Total investment income--net**	7.26%	7.36%

	Amount of dividends to Preferred Stock shareholders	.78%	1.74%
	Investment income--net, to Common Stock shareholders	6.48%	5.62%
Ratios Based on Average Net Assets Of Common & Preferred Stock:**	Total expenses	.70%	.70%
	Total investment income--net	4.79%	4.83%
Ratios Based on Average Net Assets Of Preferred Stock:	Dividends to Preferred Stock shareholders	1.51%	3.31%
Supplemental Data:	Net assets applicable to Common Stock, end of year (in thousands)	$ 296,847	$ 295,457
	Preferred Stock outstanding, end of year (in thousands)	$ 150,000	$ 150,000
	Portfolio turnover	42.89%	98.99%
Leverage:	Asset coverage per $1,000	$ 2,979	$ 2,970
Dividends Per Share On Preferred Stock Outstanding:	Series A--Investment income--net	$ 390	$ 855
	Series B--Investment income--net	$ 388	$ 853
	Series C--Investment income--net	$ 351	$ 777

* Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

\+ Certain prior year amounts have been reclassified to conform to current year presentation.

++ Amount is less than $.01 per share.

See Notes to Financial Statements.

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

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

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies to increase or decrease the level of risk to which the Fund is exposed more quickly and efficiently than transactions in other types of instruments. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

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

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

Written and purchased options are non-income producing investments.

(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. As required, effective November 1, 2001, the Fund has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing all premiums and discounts on debt securities. The cumulative effect of this accounting change had no impact on total net assets of the Fund, but resulted in a $2,317 increase in cost of securities (which, in turn, results in a corresponding $2,317 decrease in net unrealized appreciation and a corresponding $2,317 increase in undistributed net investment income), based on securities held by the Fund as of October 31, 2001.

The effect of this change for the year ended October 31, 2002 was to increase net investment income by $305 and increase net realized capital losses by $2,622. The statement of changes in net assets and financial highlights for prior periods have not been restated to reflect this change in presentation.

(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.

(f) Change in financial statement classification for Auction Market Preferred Stock ("AMPS") -- In accordance with the provisions of the Financial Accounting Standards Board's Emerging Issues Task Force D-98 ("EITF D-98"), "Classification and Measurement of Redeemable Securities," effective for the current period, the Fund has reclassified its AMPS outside of permanent equity in the Net Assets section of the Statement of Net Assets. In addition, dividends to Preferred Stock shareholders are now classified as a component of the "Net Increase in Net Assets Resulting from Operations" on the Statements of Operations and Changes in Net Assets and as a component of the "Total from investment operations" in the Financial Highlights. Prior year amounts presented have been reclassified to conform to this period's presentation. The application of EITF D-98 related entirely to presentation and had no impact on net asset value or the allocation of net investment income or net realized capital gains or losses to Common Stock shareholders.

(g) Reclassification -- Accounting principles generally accepted in the United States of America require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, the current year's permanent book/tax differences of $130 have been reclassified between paid-in capital in excess of par and accumulated net realized capital losses and $94,377 has been reclassified between accumulated net realized capital losses and undistributed net investment income. These reclassifications have no effect on net assets or net asset value per share.

2. Investment Advisory Agreement and Transactions with Affiliates:

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

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .50% of the Fund's average weekly net assets, including proceeds from the issuance of Preferred Stock. For the year ended October 31, 2002, FAM reimbursed the Fund in the amount of $3,111.

For the year ended October 31, 2002, the Fund reimbursed FAM $18,351 for certain accounting services.

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

NOTES TO FINANCIAL STATEMENTS (concluded)

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2002 were $184,754,337 and $186,891,038, respectively.

Net realized gains (losses) for the year ended October 31, 2002 and net unrealized gains (losses) as of October 31, 2002 were as follows:

	Realized Gains (Losses)	Unrealized Gains (Losses)
Long-term investments	$ 3,827,626	$ 17,845,102
Financial futures contracts	(4,555,079)	(989,844)
Total	$ (727,453)	$ 16,855,258

As of October 31, 2002, net unrealized appreciation for Federal income tax purposes aggregated $17,845,102, of which $26,575,792 related to appreciated securities and $8,730,690 related to depreciated securities. The aggregate cost of investments at October 31, 2002 for Federal income tax purposes was $424,016,768.

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.

Common Stock

Shares issued and outstanding during the years ended October 31, 2002 and October 31, 2001 remained constant.

Preferred Stock

AMPS are redeemable shares of Preferred Stock of the Fund, with a par value of $.05 per share and a liquidation preference of $25,000 per share plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2002 were as follows: Series A, 1.32%; Series B, 1.32%; and Series C, 1.45%.

Shares issued and outstanding during the years ended October 31, 2002 and

October 31, 2001 remained constant.

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, 2002, Merrill Lynch, Pierce, Fenner & Smith Incorporated, an affiliate of FAM, earned $178,506 as commissions.

5. Distributions to Shareholders:

On November 7, 2002, a tax-exempt income dividend of $.067000 was declared. The dividend was paid on November 27, 2002, to shareholders of record on November 14, 2002.

The tax character of distributions paid during the fiscal years ended October 31, 2002 and October 31, 2001 was as follows:

	10/31/2002	10/31/2001
Distributions paid from:		
Tax-exempt income	$19,769,138	$21,530,270
Total distributions	$19,769,138	$21,530,270

As of October 31, 2002, the components of accumulated losses on a tax basis were as follows:

Undistributed tax-exempt income--net	$ 3,411,881
Undistributed long-term capital gains--net	--
Total undistributed earnings--net	3,411,881
Capital loss carryforward	(35,865,542)*
Unrealized gains--net	15,300,548**
Total accumulated losses--net	$(17,153,113)

* On October 31, 2002, the Fund had a net capital loss carryforward of $35,865,542, of which $8,688,802 expires in 2007, $26,079,903 expires in 2008 and $1,096,837 expires in 2010. This amount will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles and the realization for tax purposes of unrealized losses on certain futures contracts.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders,
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, 2002, the related statements of operations for the year then ended and changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years presented. These financial statements and the financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and the financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the 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 at October 31, 2002 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, such financial statements and financial highlights present fairly, in all material respects, the financial position of MuniYield Quality Fund II, Inc. as of October 31, 2002, the results of its operations, the changes in its net assets, and the financial highlights for the respective stated periods in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Princeton, New Jersey
December 6, 2002

IMPORTANT TAX INFORMATION (unaudited)

All of the net investment income distributions paid by MuniYield Quality Fund II, Inc. during its taxable year ended October 31, 2002 qualify as tax-exempt interest dividends for Federal income tax purposes.

Please retain this information for your records.

MANAGED 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 consistent yield to the current trading price of shares of Common Stock of the Fund, 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.

OFFICERS AND DIRECTORS

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5
Interested Director				
Terry K. Glenn*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 62	President and Director	1999 to present and 1992 to present	Chairman, Americas Region since 2001 Executive Vice President since 1983 o Asset Management, L.P. ("FAM") and Me Lynch Investment Managers, L.P. ("MLI President of Merrill Lynch Mutual Fun 1999; President of FAM Distributors, ("FAMD") since 1986 and Director ther since 1991; Executive Vice President Director of Princeton Services, Inc. ("Princeton Services") since 1993; Pr of Princeton Administrators, L.P. sin Director of Financial Data Services, since 1985.

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

Name	Address & Age	Position(s) Held with Fund	Length of Time Served*	Principal Occupation(s) During Past 5
Independent Directors				
James H. Bodurtha	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 58	Director	1995 to present	Director and Executive Vice President China Business Group, Inc. since 1996 Chairman, Berkshire Holding Corporati since 1980.
Joe Grills	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 67	Director	2002 to present	Member of Committee on Investment of Benefit Assets of the Association for Financial Professionals since 1986.
Herbert I. London	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 63	Director	1992 to present	John M. Olin Professor of Humanities, York University since 1993.
Andre F. Perold	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 50	Director	1992 to present	George Gund Professor of Finance and Harvard School of Business since 2000 Finance Area Chair since 1996.
Roberta	P.O. Box 9011	Director	1999 to	Shareholder, Modrall, Sperling, Roehl

Cooper Ramo	Princeton, NJ 08543-9011 Age: 60		present	Harris & Sisk, P.A. since 1993.
Robert S. Salomon, Jr.	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 66	Director	2002 to present	Principal of STI Management since 199 Director, Rye Country Day School sinc
Melvin R. Seiden	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 72	Director	2002 to present	Director, Silbanc Properties, Ltd.(re estate, investment and consulting) since 1987.
Stephen B. Swensrud	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 69	Director	2002 to present	Chairman, Fernwood Advisors since 199

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

Name	Address & Age	Position(s) Held with Fund	Length of Time Served*	Principal Occupation(s)
Fund Officers				
Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 42	Vice President and Treasurer	1993 to present and 1999 to present	First Vice President of MLIM and FAM since 1999; Senior Vice President and since 1999; Vice President of FAMD si and FAM from 1990 to 1997; Director o
Kenneth A. Jacob	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 51	Senior Vice President	2002 to present	Managing Director of FAM and MLIM sin
John M. Loffredo	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 38	Senior Vice President	2002 to present	Managing Director of FAM and MLIM sin from 1997 to 2000.
Michael Kalinoski	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 32	Vice President	2000 to present	Vice President of MLIM since 1999.
Alice A. Pellegrino	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 42	Secretary	1999 to present	Director (Legal Advisory) of MLIM sin from 1999 to 2002; Attorney associate with Kirkpatrick & Lockhart LLP from

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

Custodian

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

Transfer Agents

Common Stock:

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

Preferred Stock:

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

NYSE Symbol

MQT

[LOGO] Merrill Lynch Investment Managers

[GRAPHICS OMITTED]

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

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

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

[RECYCLED LOGO] Printed on post-consumer recycled paper #16433--10/02