Kappa ratios and (higher-order) stochastic dominance

Risk Management

Aims and scope →

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

> **Store and/or access information on a device**

> **Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

Access this article

Log in via an institution →

Subscribe and save

☑ Springer+   from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans →

Bea ([2009](#)) and Kutan and Yaya ([2016](#)).

2. We denote risk-seeking SD for risk seekers as RSD while Levy ([2015](#)) denotes it as RSSD. Readers may refer to Li and Wong ([1999](#)), Wong and Li ([1999](#)), Wong ([2007](#)), Levy ([2015](#)), and Guo and Wong ([2016](#)) for more information.

References

Bai, Z.D., Y.C. Hui, W.K. Wong, and R. Zitikis. 2012. Evaluating prospect performance: Making a case for a non-asymptotic UMPU test. *Journal of Financial Econometrics* 10 (4): 703–732.

Article   Google Scholar

Beedles, W.L. 1979. Return, dispersion and skewness: Synthesis and investment strategy. *Journal of Financial Research* 2: 71–80.

Article   Google Scholar

Brockett, P.L., and J.R. Garven. 1998. A reexamination of the relationship between preferences and moment orderings by rational risk-averse investors. *GENEVA Papers on Risk and Insurance Theory* 23 (2): 127–137.

Article   Google Scholar

Brockett, P.L., and Y. Kahane. 1992. Risk, return, skewness and preference.

Fong, W.M., H.H. Lean, and W.K. Wong. 2008. Stochastic dominance and behavior towards risk: The market for internet stocks. *Journal of Economic Behavior and Organization* 68 (1): 194–208.

Article   Google Scholar

Fong, W.M., W.K. Wong, and H.H. Lean. 2005. International momentum strategies: A stochastic dominance. *Journal of Financial Markets* 8: 89–109.

Article   Google Scholar

Gasbarro, D., W.K. Wong, and J.K. Zumwalt. 2007. Stochastic dominance analysis of iShares. *European Journal of Finance* 13: 89–101.

Article   Google Scholar

preference is nonlinear. *Management Science* 20 (7): 1047–1072.

Article   Google Scholar

Hanoch, G., and H. Levy. 1969. The efficiency analysis of choices involving risk. *Review of Economic studies* 36: 335–346.

Article   Google Scholar

Hoang, T.H.V., W.K. Wong, and Z.Z. Zhu. 2015. Is gold different for risk-averse and risk-seeking investors? An empirical analysis of the Shanghai gold exchange. *Economic Modelling* 50: 200–211.

Article   Google Scholar

Levy, H. 1969. A utility function depending on the first three moments. *Journal of Finance* 24 (4): 715–719.

Article   Google Scholar

Levy, H. 2015. *Stochastic dominance: Investment decision making under uncertainty,* 3rd ed. New York: Springer.

Google Scholar

Li, C.K., and W.K. Wong. 1999. Extension of stochastic dominance theory to random variables. *RAIRO-Operations Research* 33 (4): 509–524.

Article   Google Scholar

Ogryczak, W., and R. Ruszczyński. 1999. From stochastic dominance to mean-risk models: Semideviations as risk measures. *European Journal of Operational Research* 116: 33–50.

Article   Google Scholar

Ogryczak, W., and A. Ruszczyński. 2001. On consistency of stochastic dominance and mean-semideviation models. *Mathematical Programming* 89: 217–232.

Article   Google Scholar

Ogryczak, W., and A. Ruszczyński. 2002. Dual stochastic dominance and related mean-risk models. *SIAM Journal of Optimization* 13: 60–78.

Article   Google Scholar

Sriboonchitta, S., W.K. Wong, S. Dhompongsa, and H.T. Nguyen. 2009. *Stochastic dominance and applications to finance.*, Risk and economics Boca Raton: Chapman and Hall/CRC, Taylor and Francis Group.

Stoyan, D., and D.J. Daley. 1983. *Comparison methods for queues and other stochastic models*. New York: Wiley.

Vinod, H.D. 2004. Ranking mutual funds using unconventional utility theory and

Acknowledgements

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences

Wing-Keung Wong

Corresponding author

Correspondence to [Wing-Keung Wong](#).

Rights and permissions

[Reprints and permissions](#)

About this article

Cite this article

Niu, C., Wong, W.K. & Xu, Q. Kappa ratios and (higher-order) stochastic dominance. *Risk Manag* **19**, 245–

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences