



The European Journal of Finance >

Volume 24, 2018 - [Issue 13: Seventh International Conference on Mathematical and Statistical Methods for Actuarial Sciences and Finance, Dauphine Université Paris, 30th March to April 2016.](#)

646 Views | 12 CrossRef citations to date | 0 Altmetric

Original Articles

# Backtesting lambda value at risk

Jacopo Corbetta & Ilaria Peri

Pages 1075-1087 | Received 18 Sep 2016, Accepted 31 May 2017, Published online: 20 Jun 2017

Cite this article <https://doi.org/10.1080/1351847X.2017.1339105>



Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

## ABSTRACT

A new risk measure, lambda value at risk ( $\Lambda_{VaR}$ ), has been recently proposed as a generalization of value at risk (VaR).  $\Lambda_{VaR}$  appears attractive for its potential ability to solve several problems of VaR. This paper provides the first study on the backtesting of  $\Lambda_{VaR}$ . We propose three nonparametric tests which exploit different features. Two tests are based on simple results of probability theory. One test is unilateral and is more suitable for small samples of observations. A second test is bilateral and provides an asymptotic result. A third test is based on simulations and allows for a more accurate comparison among  $\Lambda_{VaR}$ s computed with different assumptions on the asset return distribution. Finally, we perform a backtesting exercise that confirms a higher performance of  $\Lambda_{VaR}$  in respect to VaR especially when it is estimated with distributions that better capture tail behavior.

KEYWORDS:

## JEL CLASSIFICATIONS:

C12

C52

G32

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Log in via your institution

[➤ Access through your institution](#)

## Log in to Taylor &amp; Francis Online

[➤ Log in](#)

## Restore content access

[➤ Restore content access for purchases made as guest](#)

## Purchase options \*

[Save for later](#)

## PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed


EUR 48.00

[Add to  
cart](#)

### Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

EUR 538.00

 Add to  
cart

\* Local tax will be added as applicable

## Related Research

People also read

Recommended articles

Cited by  
12

## Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

## Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

## Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

## Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)



Taylor & Francis Group  
an informa business

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG