



THE UNIVERSITY OF
CHICAGO

Department of Statistics

MASTER'S THESIS PRESENTATION

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Empirical Study of Goodness-of-Fit Tests for Copulas

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ABSTRACT

There are many types of goodness-of-fit tests for copulas recently proposed. Genest et al.(2009) wrote a comprehensive review paper on the goodness-of-fit tests and conducted a power study. This thesis empirically assess the power study in Genest et al.(2009, 2013) with the real world data, sovereign CDS spread data. We choose 4 types of tests which are most preferable in terms of power, and find that those tests are powerful indeed. However, the power of each test is too strong to provide any useful guideline for choosing the right type of copula. Even if there exist some difficulties in real world application, still, we try to estimate the copula structure and give guideline of the right copula model for some of the countries.