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Optimal threshold for Pareto tail modelling in the presence of outliers

Muhammad Aslam Mohd Safari, Nurulkamal Masseran, Kamarulzaman Ibrahim



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***Highlights (for review)**

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- This study proposes an approach to determine the optimal threshold for Pareto Distribution in the presence of outliers based on EDF statistics and Monte Carlo simulation.
- This study suggest that the Kolmogorov-Smirnov and Kuiper statistics as the best EDF method to determine the optimal threshold in the presence of outliers.
- This study proposes the optimal threshold as a good benchmark for determination of high income group earners.

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