

Department of Accounting, Roudan Branch, Islamic Azad University, Roudan, Iran

Submitted : **04/01/2014** accepted : **15/03/2014** published : **15/04/2014**

Abstract

The utilization of Value at Risk (VaR) measurement method is one of the most important methods to measure the market risk. In this study, the Value at Risk (VaR) of banks listed on Tehran Stock Exchange is measured through the parametric model, Monte Carlo simulations, historical simulation, and TSP distribution. The research method is applied in terms of objective and post-event according to research data collection. The sample size covers Post Bank Iran, Bank Saderat Iran, Parsian Bank, Sina Bank, Eghtesad Novin Bank, Karafarin Bank, Ansar Bank, Tejarat Bank, Kharazmi Investment Company, Bank Mellat, and Bank Pasargad. The obtained results indicate that the accuracy of estimated value at risk by GARCH and TSP models is more than two Monte Carlo and historical simulation methods. The accuracy of parametric method and then TSP method is higher than other methods. Furthermore, the historical method has the minimum accuracy.

Keywords: Market risk, Value at Risk, GARCH model, Monte Carlo method, historical simulation method, TSP method