ASYMPTOTIC RESULTS FOR INFERENCE PROCEDURES BASED ON THE r SMALLEST OBSERVATIONS

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ABSTRACT

We consider procedures for statistical inference based on the smallest \( r \) observations from a random sample. This method of sampling is of importance in life testing. Under weak regularity conditions which include the existence of a g. m. derivative for the square root of the ratio of densities, we obtain an approximation to the likelihood and establish the asymptotic normality of the approximation. This enables us to reach several important conclusions concerning the asymptotic properties of point estimators and of tests of hypotheses which follow directly from recent developments in large sample theory. We also give a result for expected values which has importance in the theory of rank tests for censored data.
1. Introduction and summary.

Suppose that $n$ items are placed on life test and that the test is censored at the time the $r^{th}$ failure occurs. Below, we consider asymptotic properties of statistical procedures based on the first $r$ order statistics $Y_1, \ldots, Y_r$ from a random sample of size $n$ from a cdf $F_\theta$ where $\theta \in \mathbb{R}^k$. The law $P_{n,\theta}$ of the $r$ order statistics is related to a pdf

$$\frac{n!}{(n-r)!} f_\theta(y_1) \cdots f_\theta(y_r)[1-F_\theta(y_r)]^{n-r} \quad (1.1)$$

where $f_\theta$ is the population pdf. All of our results follow directly from an expansion of the likelihood ratio

$$\Lambda_{r,n}[\theta_n,\theta_0] = \sum_{j=1}^{r} \log \frac{f_\theta(Y_j)}{f_\theta(Y_j)} + (n-r) \log \frac{1-F_\theta(Y_r)}{1-F_\theta(Y_r)} \quad (1.2)$$

for sequences $\{\theta_n\}$ with $\theta_n = \theta_0 + h_n n^{-\frac{1}{2}}$, $h_n \to h$. In particular, Theorem 3.1 establishes that, as $n \to \infty$, $r/n \to p$

$$\Lambda_{r,n}[\theta_n,\theta_0] \overset{P}{\to} \Delta_n(\theta_0) \overset{\text{I}_p(\theta_0)}{\rightarrow} - \frac{1}{2} \text{I}_p(\theta_0) h \quad (1.3)$$

where $\text{I}_p(\theta_0)$ is the Fisher information for the censored case (see 3.16) and

$$\Delta_n(\theta_0) = \sum_{j=1}^{r} \frac{2}{\sqrt{n}} \phi(Y_j) + (n-r) \int_{-\infty}^{Y_r} \frac{\phi(Y_j)}{1-F_\theta(Y_r)} \quad (1.4)$$

with $\phi$ defined in assumptions (A). Corollary 3.2 shows that
\[
\mathcal{L}[\Delta_n|\mathbb{P}_n, \theta_0] \text{ converges to a normal distribution with zero mean vector and covariance } \Gamma_p. \text{ The expansion (1.3) together with the asymptotic normality leads immediately to an exponential family}
\]

\[
d\mathbb{R}_n, h = e^{-R_n(h)} h\Delta^* e^{-n\mathbb{P}_n, \theta_0}
\]

based on a truncated version \( \Delta^*_n \) of \( \Delta_n \) (c.f. (4.6) of Johnson and Roussas (1970)). This approximation is such that \( \sup \|R_n, h - \mathbb{P}_n, \theta_n\|, h \in \text{bounded set} \to 0 \) where \( \|\cdot\| \) is the total variation. Thus we obtain asymptotically optimal tests by constructing them for the limit law and using results for the exponential family \( \mathbb{R}_n, h \) as in Johnson and Roussas (1970), (1971). The approximation is also central to the proof of the representation theorem of Hájek (1970) (see also Roussas and Soms (1971)) which gives the results below for point estimators. Hájek's result requires only (1.3) and the asymptotic normality of \( \Delta_n(\theta_0) \).

These results, which hold under Assumptions (A) and (B) below when \( \Gamma_p(\theta_0) \) is positive definite are summarized below. Note that \( \Gamma_p \) is also the covariance for censoring at a fixed time corresponding to the \( p \)th percentile.

**Asymptotic efficiency of point estimators**

These results apply to any sequence of estimators \( T_n = T_n(Y_1, \ldots, Y_n) \) such that \( \mathcal{L}[\sqrt{n}(T_n - \theta_0) - n\mathbb{P}_n, \theta_n] \to \mathcal{L}(v) \), for all \( h \in \mathbb{R}^k \), at the continuity points of \( \mathcal{L}(v) \). \( \mathcal{L}(v) \) need not be a normal distribution.

\( (E 1) \) \( \mathcal{L}(v) \) has the representation \( \mathcal{L}(v) = \int_{\mathbb{R}^p} \phi_{\Gamma_p}(v-u)dG(u) \) where \( G(u) \) is a distribution in \( \mathbb{R}^k \) and \( \phi_{\Gamma_p} \) is the normal cdf with zero mean vector and covariance \( \Gamma_p^{-1}(\theta_0) \).
\[(E \ 2) \lim \sup P_{n, \theta_0} [\sqrt{n}(T_n - \theta_0) \in C] \leq \int_C d\theta_p\]

for all convex symmetric sets in \( R^k \).

\[(E \ 3) \lim \inf F[\sqrt{n} h'(T_n - \theta_0)]^2 \geq h' \Gamma_p^{-1}(\theta_0)h , \text{ all } h \in R^k\]

so that the limit covariance \( D \), if it exists, satisfies \( D = \Gamma_p^{-1} \) positive definite.

Asymptotically optimal tests of hypotheses.

The following are established for local alternatives of order \( \sqrt{n} \) away from \( \theta_0 \). To obtain global results, we would need an assumption like (A 5) of Johnson and Roussas (1969).

(T 1) Let \( \theta \subset R \) and let \( \eta \) denote the upper \( \alpha \)th point of a standard normal. Then, the test \( \phi_n \) which rejects \( H_0: \theta = \theta_0 \) for \( \Delta_n(\theta_0) > \eta \Gamma_p^{1/2} \) is asymptotically most powerful for local alternatives in that for any other sequence of tests \( \{\lambda_n\} \), with \( E_{\theta_0} \lambda_n \to \alpha \),

\[\lim \sup_0 \sup \{E_{\theta_0} \lambda_n - E_{\theta_0} \phi_n\} = 0.\]

(T 2) The test \( \phi_{1n} \) which rejects for \( |\Delta_n(\theta_0)| > \eta \Gamma_p^{1/2} \) is asymptotically most powerful unbiased. For any other sequence \( \{\lambda_n\} \) of tests which is asymptotically of level \( \alpha \) and

\[\lim \inf \inf E_{\theta} \lambda_n \geq \alpha , \lim \sup \sup [E_{\theta} \lambda_n - E_{\theta} \phi_{1n}] \leq 0\]

where \( \inf \) and \( \sup \) are over bounded sets of \( h \) and \( \theta = \theta_0 + hn^{1/2} \).

(T 3) For testing \( H_0: \theta = \theta_0 \) vs. \( H_1: \theta \neq \theta_0 \) when \( \theta \subset R^k \), the test which rejects for \( \Delta_n \Gamma_p^{-1} \Delta_n \) large has asymptotically best average power over certain ellipsoids and is asymptotically most stringent (see Johnson and Roussas (1971) for the relevant definitions).
The results for testing follow from the exponential approximation as in Johnson and Roussas (1969), (1970), (1971) since the proofs there do not use the Markovian character of the observations. The regularity conditions imposed here are much weaker than those imposed in previous papers on life testing. For instance, they include the normal, log normal Weibull, exponential and gamma. In the latter cases, the location parameter fixes the support and this must be known, otherwise \( \sqrt{n} \) is not the correct normalization. See David (1970), Chapter 6, for a survey of more applications. Chernoff, Gastwirth and Johns (1967) established lower bounds for the variance of point estimators of location and scale parameters. They require that the partials of \( \log f_\theta \) exist everywhere and a condition on \( f''_{\theta_0} \). This is slightly stronger than our assumptions even for this special case. The results here extend their optimal estimator to a wider class than those which are asymptotically normal.

Section 4 contains a lemma which shows the equality of the expected value of the last term in \( \Delta_n \) and the expected value of the scores evaluated at the unobserved order statistics. This result is also of importance in the derivation of locally most powerful rank tests for a general parameter. It is also shown that \( E[\Delta_n(\theta_0)] \) is the zero vector for each \( n \). We conclude with an application to the double exponential with \( p = \frac{1}{2} \).
2. Assumptions and preliminary results.

We first make some smoothness assumptions regarding the law of the univariate distributions. These are similar to those employed in Johnson and Roussas (1970) except that they are further specialized to Lebesgue measure. Although most of the results hold without this assumption, there would be difficulty in defining the censoring scheme without it.

Let \( \Theta \) be a subset of \( \mathbb{R}^k \), \((\mathcal{X}, \mathcal{A})\) a measurable space and, for each \( \theta \in \Theta \), \( Q_\theta \) a probability on \((\mathcal{X}, \mathcal{A})\) such that \( X_1, X_2, \ldots, X_n, \ldots \) are independent and identically distributed with \( X_n \) taking values in the Borel real line \((\mathbb{R}, \mathcal{B})\). Set \( \mathcal{Q}_n \) equal to the \( \sigma \)-field induced by \((X_1, \ldots, X_n)\) and let \( Q_{n, \theta} \) denote the restriction of \( Q_\theta \) to \( \mathcal{Q}_n \). We can, if we wish, transfer to the coordinate space.

**Assumptions (A)**

(A 1) The law of \( X_1 \) has pdf \( f_\theta(x) \) with respect to Lebesgue measure and the set where it is positive does not depend on \( \theta \).

(A 2) Set \( \varphi(\theta, \theta^*) = \left[ \frac{f_\theta(x)}{f_\theta(x)} \right]^{1/2} \). Then

(i) For each \( \theta \in \Theta \), \( \varphi(\theta, \theta^*) \) is differentiable in g.m. at \((\theta, \theta)\) when \( P_{1, \theta} \) is employed. Denote this derivative by \( \varphi(\theta) \).

(ii) \( 4 \varphi(\theta) \) is \( X_1^{-1}(\mathcal{B}) \times \mathcal{G} \) measurable where \( \mathcal{G} \) is the class of Borel subsets of \( \Theta \).

(iii) For every \( \theta \in \Theta \), \( 4 \mathbb{E}_\theta[\varphi(\theta)\varphi'(\theta)] \) is positive definite.

Under assumptions (A), we have the following result when the \( X_n \) are governed by \( Q_{n, \theta_0} \) and the alternatives of the form

\[ \theta_n = \theta_0 + h_n n^{-1/2} \text{ with } h_n \to h, \]
\[
\max_{i \leq n} |\varphi(X_i) - 1|^{\frac{q_n, \theta_0}{n}} \to 0 \quad (2.1)
\]
\[
\sqrt{n}(\varphi(X_i) - 1) \overset{d}{\to} h^t \dot{\varphi}(\theta_0) \quad (2.2)
\]
\[
\sqrt{n}(\varphi^2(X_i) - 1) \to 2h^t \dot{\varphi}(\theta_0) \text{ in } 1^{st} \text{ mean} \quad (2.3)
\]
\[
E_{\theta_0} \dot{\varphi}(X_1) = 0 \text{ (} k \times 1 \text{ column vector)} \quad (2.4)
\]

These are (3.1.3), (3.1.2), Lemma 3.1.3 and Lemma 3.1.4(i) in Roussas (1965).

The existence of a q.m. derivative for \( \varphi \) implies the existence of a pointwise partial for the cdf \( F_\theta(x) \). For notational convenience, we sometimes write \( f \) for \( f_{\theta_0} \).

**Lemma 2.1.** Under Assumptions (A), uniformly on bounded sets of \( h \in \mathbb{R}^k \) and \( z \),
\[
\sqrt{n} \left[ F_{\theta_0}(z) - F_{\theta_0}(z) - \frac{h^t \dot{F}(z)}{\sqrt{n}} \right] \to 0
\]
where
\[
h^t \dot{F}(z) = \int_{-\infty}^{z} 2h^t \dot{\varphi} f
\]

**Proof:** We write \( F_{\theta_0}(z) - F_{\theta_0}(z) = \int_{-\infty}^{z} (\varphi^2 - 1)f \) so that the difference is
\[
\sqrt{n} \int_{-\infty}^{z} [(\varphi^2 - 1) - 2h^t \dot{\varphi}]f
\]
which, by (2.2), goes to zero uniformly in bounded sets of \( h \).
We now describe the sampling scheme. Only the first $r$ order statistics $(Y_1, \ldots, Y_r)$ are observed where $r$ is selected so that
\[ |\frac{r}{n} - p| < \frac{1}{n} \text{ with } 0 < p < 1. \] (2.7)

We further assume that $f_{\theta_0}$ is positive in a neighborhood of the $p$th percentile $\xi_p$ so that it is unique.

The next result is a specialization of Bahadur (1966) to the uniform order statistics $F(Y_i)$, $i = 1, \ldots, n$. Let
\[ Z_n(t) = \# X_1, \ldots, X_n \leq \xi_t, \quad 0 < t < 1 \] (2.8)

**Lemma 2.2.** With $r$ given by (2.7) and $Z_n = Z_n(p)$ by (2.8),
\[ \sqrt{n} \left[ \frac{Z_n}{n} - p + F_{\theta_0}(Y_r) - p \right] \overset{Q_n, \theta_0}{\to} 0. \]

Below, we investigate the behavior of certain functions over the random set
\[ A_{r,n} = \{ (Y_r, \xi_p) \text{ if } Y_r < \xi_p \text{ and } (\xi_p, Y_r) \text{ if } Y_r \geq \xi_p \} \] (2.9)

We also have the following property for the $Z_n(t)$.

**Lemma 2.3.** Let $Z_n(p)$ be defined by (2.8), then
\[ \sup_{\xi_s, \xi_t \in A_{r,n}} n^{\frac{1}{2}} \left| \frac{Z_n(s)}{n} - \frac{Z_n(t)}{n} - \left[ F_{\theta_0}(\xi_s) - F_{\theta_0}(\xi_t) \right] \right| \overset{Q_n, \theta_0}{\to} 0 \]

**Proof:** Since $Z_n(s) = \# F_{\theta_0}(X_i) \leq p$ and $F_{\theta_0}(X_i)$ is uniform, it is sufficient to show convergence in probability for uniform variables. It is well known that $V_n(t) = n^{\frac{1}{2}} \left( \frac{Z_n(t)}{n} - t \right)$ converges
weakly to a Brownian Bridge. Therefore, by a characterization of tightness in $C$ (see Theorem 8.2, Billingsley (1968)) the modulus of continuity of a continuous version of $V_n(t)$ is small with high probability and the same holds true for $V_n(t)$. In particular, given any $\epsilon, \eta$ there exists a $\delta, 0 < \delta < 1$, such that

$$Q_{n, \theta} \left[ \sup_{t \leq s \leq t + \delta} |V_n(t) - V_n(s)| > \epsilon \right] \leq \eta \text{ all sufficiently large } n.$$  

For a direct verification see (13.16) of Billingsley (1968). Since $\{(s,t) : \xi_s, \xi_t \in A_{r, n} \} \subset \{(s,t) : |s-t| \leq \delta\}$ with probability one for all sufficiently large $n$, the result follows.

In order to establish our main results, we have to know that $\varphi$ and $\varphi$ act smoothly at $\xi_p$. This does not seem to follow from the quadratic mean calculus and we must make additional assumptions. We will first state these in the form needed later and then prove a lemma which leads to sufficient conditions which are easy to verify.

The assumptions may be expressed in terms of the indicator function $I_{A_{r, n}}$.

**Assumptions (B)**

(B 1) $\sum_{i=1}^{n} (\varphi - 1) I_{A_{r, n}} - n \int_{A_{r, n}} (\varphi - 1) f \xrightarrow{d, \theta} 0$

(B 2) $\sum_{i=1}^{n} \varphi I_{A_{r, n}} - \sqrt{n} \int_{A_{r, n}} (\varphi - 1) f \xrightarrow{d, \theta} 0$

In order to see what conditions on the pdf's would imply (B 1) and (B 2), we prove the following.
Lemma 2.4. For all sufficiently large $n$, let $\psi_n$ be the difference of two non-decreasing functions over the interval $\xi_p + n^{-\frac{1}{2}}(\log \log n)^{1/4}$ where each is essentially bounded by $M$. Then

$$\frac{\sum_{i=1}^{n} \psi_n I_{A_{p,n,i}}}{\sqrt{n}} \to Q_n, \theta_0 \to 0$$

Proof: Without loss of generality, we assume that $\psi_n$ is non-decreasing on the interval and we define $\psi_n^{-1}$ in a suitable manner. For fixed $n$ and arbitrary $\epsilon$, consider a partition $\{a_k\}$ of $[-M,M]$ with norm less than $\epsilon$ and not more than $2M\epsilon^{-1} + 3$ terms. Set $b_k = \psi_n^{-1}(a_k)$

$$M_k = \text{ess sup}_{\left[b_k, b_{k+1}\right]} \psi_n(x), \quad m_k = \text{ess inf}_{\left[b_k, b_{k+1}\right]} \psi_n(x). \quad (2.9)$$

Then,

$$M_k - m_k \leq \epsilon, \quad \text{each } k. \quad (2.10)$$

Furthermore, if $\xi_{n_1} = \# X_1$ belonging to $[b_k, b_{k+1}]$, then

$$\sum_{k} \frac{\psi_n I_{[b_k, b_{k+1}]} - \sqrt{n} \int_{b_k}^{b_{k+1}} \psi_n f}{\sqrt{n}} \leq M_k \xi_{n_1} n^{-\frac{1}{2}} - m_k \frac{1}{2} [F_{\theta_0}(b_{k+1}) - F_{\theta_0}(b_k)]$$

$$\leq M_k \left( \xi_{n_1} n^{-\frac{1}{2}} - \frac{1}{2} [F_{\theta_0}(b_{k+1}) - F_{\theta_0}(b_k)] \right)$$

$$+ \epsilon n^{\frac{1}{2}} [F_{\theta_0}(b_{k+1}) - F_{\theta_0}(b_k)], \quad \text{all } k. \quad (2.11)$$

The lower bound has $M_k$ replaced by $m_k$ and $\epsilon$ by $-\epsilon$. Define $Z_n(t)$ by (2.8) so that, setting $b_k = \xi_{p+\Delta_k}$,

$$Z_{n_1} = Z_n(p+\Delta_{k+1}) - Z_n(p+\Delta_k). \quad (2.12)$$
Then, for all \( \mathfrak{q} \) such that \( b_{\mathfrak{q}}, b_{\mathfrak{q}+1} \in A_{r,n} \),
\[
\frac{1}{n} \left[ Z_{\mathfrak{q}}^* - \left[ F_{\theta_0}(b_{\mathfrak{q}+1}) - F_{\theta_0}(b_\mathfrak{q}) \right] \right] \leq \sup_{\xi_s, \xi_t \in A_{r,n}} \frac{1}{n} \left[ \frac{Z_{\mathfrak{n}}(s) - Z_{\mathfrak{n}}(t)}{n} - F_{\theta_0}(\xi_s) - F_{\theta_0}(\xi_t) \right]
\]
and the r.h.s., which does not depend on the partition within \( A_{r,n} \), converges in probability to zero by Lemma 2.3. Now \( Y_r \) belongs to the interval \( n^{-\frac{3}{2}}(\log \log n)^{1/4} \), for all sufficiently large \( n \), with probability one. If for each \( n \), we include \( \xi_p \) and \( Y_r \) in the partition, the result follows if we add the inequalities that correspond to the interval between \( \xi_p \) and \( Y_r \) and employ the asymptotic normality of \( n^{\frac{3}{2}}[F_{\theta_0}(Y_r) - \mu] \) and the fact that \( \epsilon \) is arbitrary.

**Corollary 2.A.** If, for all sufficiently large \( n \),
\[
(B'1) \sqrt{n(\varphi-1)} \text{ is the difference of two nondecreasing functions on the interval } \xi_p \pm n^{-\frac{3}{2}}(\log \log n)^{1/4} \text{ and each is essentially bounded } M, 
\]
then (B 1) is satisfied. The two functions and \( M \) may depend on \( h \).

If, (B'2) there is a version of \( \varphi \) such that \( \varphi \) has one-sided limits at \( \xi_p \), then (B 2) is satisfied for each \( h \in \mathbb{R}^k \).

**Proof:** Inspection of previous proof shows that (2.10) and (2.11) can be established, under (B'2), with a single interval \( (Y_r, \xi_p) \) or \( (\xi_p, Y_r) \).
Remark. For a location or scale parameter, a simple sufficient condition for \((B'1)\) and \((B'2)\) is that \(f'_{\theta_0}\) is continuous at \(\xi_p\).

The existence of a continuous derivative insures one-sided monotone-ness, for sufficiently large \(n\), and the mean value theorem gives uniform boundedness. This includes most one parameter applications.

In the remaining sections, we will often employ the joint distribution \(p_{n,\theta}\) of the first \(r\) order statistics since the probabilities can be computed under \(q_{n,\theta}\) or \(p_{n,\theta}\).

3. Proof of main results.

In this section, we employ the previous results to obtain the expansion if the likelihood and its asymptotic distribution. We first note that, from Lemma 2.1, \[
1-F_{\theta_0}(Y_r) = \frac{1-F_{\theta_0}(Y_r)}{1-F_{\theta_0}(Y_r)} - 1 \to 0 \text{ in probability since } Y_r \to \xi_p \text{ in probability.}
\]

The expansion
\[
\log Z = (Z-1) - \frac{3}{2}(Z-1)^2 + o(Z-1)^3, \quad |o| \leq 3 \text{ for } |Z-1| \leq \frac{1}{2}
\]
is then applied to each term of \(\Lambda_{r,n}\).

Lemma 3.1. Under Assumptions (A),

\[
\Lambda_{r,n} = \left\{ \sum_{j=1}^{r} [\varphi(Y_j)-1] + (n-r) \frac{F_{\theta}(Y_r)-F_{\theta}(Y_r)}{1-F_{\theta}(Y_r)} \right\} - \frac{3}{2} \left\{ \sum_{j=1}^{r} [\varphi(Y_j)-1]^2 + (n-r) \frac{F_{\theta}(Y_r)-F_{\theta}(Y_r)}{1-F_{\theta}(Y_r)} \right\} + W_n
\]

where \(W_n\) converges in probability to zero.

Proof: The expansion follows from (3.1) and the result for \(W_n\) from (2.1) and the next two lemmas which show that the terms in the second bracket converge to constants.
Lemma 3.2. Under Assumptions (A),

\[
(n-r)[\frac{F_{\theta_n}(Y_r)-F_{\theta_0}(Y_r)}{1-F_{\theta_0}(Y_r)}]^2 \overset{P_{n,\theta_0}}{\rightarrow} \frac{(h^\prime F(\xi_p))^2}{1-p} = \frac{\xi_p h^\prime \phi}{1-p}^2
\]  

(3.3)

Proof: Since \( Y_r \rightarrow p \) in probability and \( F_{\theta_0} \) is continuous, it is sufficient to show that \( \sqrt{n}[F_{\theta_n}(Y_r)-F_{\theta_0}(Y_r)] \rightarrow h^\prime F(\xi_p) \) but this follows from Lemma 2.1.

Lemma 3.3. Under Assumptions (A),

\[
\Sigma_{j=1}^r[\phi(Y_j)-1]^2 - n^{-1} \Sigma_{j=1}^r[h^\prime \phi(Y_j)]^2 \overset{P_{n,\theta_0}}{\rightarrow} 0
\]  

(3.4)

\[
n^{-1} \Sigma_{j=1}^r[h^\prime \phi(Y_j)]^2 \overset{P_{n,\theta_0}}{\rightarrow} \int_{-\infty}^{\xi_p} [h^\prime \phi]^2 \]  

(3.5)

Proof: The Markov inequality gives the bound

\[
e^{-1} \Sigma_{j=1}^r E[|\phi(Y_j)-1|^2 - [h^\prime \phi(Y_j)]^2] \leq e^{-1} n E[|\phi(X_i)-1|^2 - [h^\prime \phi(X_i)]^2]
\]

for (3.4) and the r.h.s. converges to zero (see Roussas (1965), eqn. (3.1.19)).

Next, (3.5) follows from the law of large numbers since

\[
n^{-1} \Sigma_{j=1}^r[h^\prime \phi(Y_j)]^2 - n^{-1} \Sigma_{i=1}^n[h^\prime \phi(x_i)I(-\infty,\xi_p)]^2 \rightarrow 0 \text{ in probability.}
\]

This last difference is dominated by \( \Sigma_{i=1}^n n^{-1} h^\prime \phi I(\xi_p-\delta,\xi_p+\delta) \) for all sufficiently large \( n \) with \( \delta \) arbitrary.
For notational convenience, we set \( B_p = (-\infty, \xi_p] \) and introduce two statistics corresponding to the case of censoring at a fixed percentile \( \xi_p \).

\[
S_p = \sum_{i=1}^{n} \left\{ 2(\varphi-1)I_{B_p} + (1-p)^{-1}[F_{\theta_0}(\xi_p) - F_{\theta_n}(\xi_p)]I_{B_p} \right\}
\]

(3.6)

\[
\dot{S}_p = \sum_{i=1}^{n} \left\{ \frac{2h'(x_i)\dot{F}(\xi_p)}{\sqrt{n}} - \frac{h'(\dot{F}(\xi_p))}{\sqrt{n(1-p)}}I_{B_p} \right\}
\]

(3.7)

These will later be compared with the statistics for censoring at the \( r \)th order statistic. Namely,

\[
S_r = \sum_{j=1}^{r} \left\{ 2[\varphi(Y_j) - 1] + (n-r)\frac{[F_{\theta_0}(Y_r) - F_{\theta_n}(Y_r)]}{1-F_{\theta_n}(Y_r)} \right\}
\]

(3.8)

\[
\dot{S}_r = \sum_{j=1}^{r} \frac{2h(Y_j) - (n-r)h\dot{F}(Y_r)}{\sqrt{n}} \cdot \frac{h\dot{F}(Y_r)}{1-F(Y_r)}
\]

(3.9)

**Lemma 3.4.** Under Assumptions (A),

\[
E_{\theta_0}[S_p - \dot{S}_p] = -nE[(\varphi(X_1) - 1)^2I_{B_p} \rightarrow -E(h')^2I_{B_p}
\]

\[
\text{Var}[S_p - \dot{S}_p] \rightarrow 0
\]

**Proof:** Set \( p_n = F_{\theta_n}(\xi_p) \) and consider the identity

\[
\varphi^2 - p_n/p = (\varphi-1)^2 + 2(\varphi-1) + 1 - p_n/p
\]
Multiplying both sides by $I_B$ and taking expected values gives

$$
E[2(\phi-1)I_B] = -E(\phi-1)^2I_B + p_n - p
$$

so that $E[S_p - S_p] = -nE(\phi-1)^2I_B$ and this converges to $-E(h')^2I_B$ since $\sqrt{n(\phi-1)} \to h' \phi$ in q.m. by (2.2). Also,

$$
\text{Var}[S_p - S_p] = n\text{Var}\left\{ [2(\phi-1)-2h'] \frac{\phi}{\sqrt{n}} I_B + (1-p)^{-1} [p-p_n + h'] \frac{\phi}{\sqrt{n}} I_B \right\} 
$$

$$
\leq 4E\left\{ [\sqrt{n(\phi-1)-2h'} \phi]^2 I_B \right\} + 4(i-p)^{-1} \left\{ p_n (p-p_n) + h' \phi \right\}^2
$$

which converges to zero by (2.2) and Lemma 2.1.

We now employ the statistics (3.6), (3.7) and the result for first moments to obtain an approximation to $S_r$ in the expansion of $\Lambda_{r,n}$. Here we require the extra smoothness assumptions on the pdf's at $\xi_p$.

**Lemma 3.5.** Under Assumptions (A) and Assumptions (B) (or B'(1) and B'(2)),

$$
S_r - S_r - (S_p - S_p) \overset{P_{n,0}}{\longrightarrow} 0
$$

**Proof:** Let $Z_n$ be defined by (2.3). First, we have

$$
\left[ (n-Z_n) - (n-r) \right] [F_0(\xi_p) - F_n(\xi_p) + \frac{h'}{\sqrt{n}} F(\xi_p)] \overset{P_{n,0}}{\longrightarrow} 0 \quad (3.10)
$$

by Lemma 2.1 and the asymptotic normality of the binomial variable $Z_n$. Next, we write

$$
\frac{F_0(z) - F_n(z) + \frac{h'}{\sqrt{n}} F(z)}{\sqrt{n}} = -\int_z^\infty \left[ (\phi^{-1} - 2h') \phi \right] f
$$

and employ the asymptotic normality of $F_0(Y_r)$ to give
Together, (3.10) and (3.11) give

$$\left[1 - F_{0_0}(Y_r)\right]^{-1} = (1-p)^{-1}\{1+(1-p)^{-1}[F_{0_0}(Y_r)-p]+o_p\left(n^{-\frac{1}{2}}\right)\} \quad (3.11)$$

The last equality follows since $F_{0_0}(Y_r)$ is asymptotically normal and $n^{\frac{1}{2}}(\varphi^2-1)$ converges in first mean to $2h^*\varphi$ by (2.3).

From the definitions (3.6) - (3.9) of the statistics, we now see that it is sufficient to show that

$$\sum_{i \in A_{r,n}} \left[2(\varphi-1) - 2h^*\varphi\right]_{Y_i} - n\int_{A_{r,n}} \left[2(\varphi-1) - 2h^*\varphi\right]_{Y} \frac{P_{n,0}}{\sqrt{n}} \rightarrow 0 \quad (3.13)$$

where $A_{r,n}$ is defined by (2.9). To this end, let $B_{\varepsilon}$ be an interval about $\xi_p$ such that $\int_{B_{\varepsilon}} (h^*\varphi)^2 f < \varepsilon$. Then, $\limsup_{A_{r,n}} n(\varphi-1)^2 f < \varepsilon$ by the first mean convergence of $n(\varphi-1)^2$. Since $(\varphi-1)^2 = (\varphi^2-1)-2(\varphi-1)$, we see that it remains to show that
This follows directly from Corollary 2.4 under the assumptions (B'1) and (B'2) on $\varphi-1$ and $\varphi$.

**Theorem 3.1.** Under the Assumptions (A) and (B) (or (B'1) and (B'2), for each alternative $h_n \to h$,

\[
\Lambda_{r,n} \mathcal{h}' \left[ \sum_{i=1}^{r} 2\varphi(Y_i) - \frac{(n-r)}{F(\theta_0)(Y_r)} \right] \to -\frac{1}{2}h'\Gamma_p(\theta_0)h
\]

(3.15)

where

\[
\Gamma_p(\theta_0) = \int_{-\infty}^{\varphi} \varphi f + \frac{1}{1-p} h'F(\varphi)pF(\varphi)h
\]

(3.16)

is the Fisher Information for the censored case.

**Proof:** We write $\sim$ when the difference converges in probability to zero. Thus, from Lemma 3.1 together with Lemma 3.2 and 3.3, we have

\[
\Lambda_{r,n} \sim S_r - \frac{1}{2}[h'F(\varphi)]^2 - \int_{-\infty}^{\varphi} (h'\varphi)^2 f
\]

and Lemma 3.4 combined with Lemma 3.5 gives

\[
S_r \sim \dot{S}_r + S_p - \dot{S}_p \sim \dot{S}_r - \int_{-\infty}^{\varphi} (h'\varphi)^2 f.
\]
The next result yields the asymptotic normality of the statistic which approximates the likelihood in (3.15). That is, of

\[ \Delta_n(\theta_0) = n^{-\frac{1}{2}} \sum_{j=1}^{r} 2\varphi(Y_j) - \frac{(n-r)F(Y_r)}{1-F_0(Y_r)} \] (3.17)

which is central to the derivation of the main result.

**Theorem 3.2.** Under Assumptions (A) and (B 2) or (B'2),

\[ S_p - S_r \overset{P}{\longrightarrow} 0 \]

where the \( h \), which enters the definitions (3.7) and (3.9) of \( S_p \) and \( S_r \), respectively, is arbitrary.

**Proof:** Employing (3.11), we expand the last term of \( S_r \) as

\[ n^{-\frac{1}{2}}(n-r)[1-F_0(Y_r)]^{-1} \int_{-\infty}^{Y_r} 2h^{\cdot}\varphi=n^{\frac{1}{2}} \int_{-\infty}^{Y_r} 2h^{\cdot}\varphi+n^{\frac{1}{2}}[F_0(Y_r)-p]\int_{-\infty}^{Y_r} 2h^{\cdot}\varphi+o_p(1). \] (3.18)

Again, setting \( Z_n \) equal to the number observations \( \leq \xi_p \), we expand the corresponding term of \( S_p \) as

\[ n^{-\frac{1}{2}}(n-Z_n)(1-p)^{-1} \int_{-\infty}^{\xi_p} 2h^{\cdot}\varphi=\frac{1}{n}Z_n(1-p) \int_{-\infty}^{\xi_p} 2h^{\cdot}\varphi+n^{\frac{1}{2}} \int_{-\infty}^{\xi_p} 2h^{\cdot}\varphi \] (3.19).

Subtracting (3.18) from (3.19) gives

\[ n^{\frac{1}{2}} \int_{-\infty}^{\xi_p} 2h^{\cdot}\varphi-n^{\frac{1}{2}} \left[ \frac{Z_n}{n} - p - [F_0(Y_r)-p] \right](1-p)^{-1} \int_{-\infty}^{\xi_p} 2h^{\cdot}\varphi+o_p(1) \] (3.20)

since \( F_0(Y_r) \) is asymptotically normal and \( Y_r \rightarrow \xi_p \) in probability. Furthermore, Lemma 2.2 establishes that the second term in (3.20) is \( o_p(1) \).
From the definitions of $\hat{S}_r$ and $\hat{S}_p$ it is clearly sufficient to show that

$$n^{\frac{1}{2}} \sum_{Y_1 \in A_{r,n}} \frac{2h' \phi}{n} - n^{\frac{1}{2}} \sum_{A_{r,n}} 2h' \phi f \xrightarrow{P} 0$$

where $A_{r,n}$ is given by (2.9). However, this follows directly from Corollary 2.4 under the Assumption (B'2).

Applying the central limit theorem to $\hat{S}_p$, for each $h$, we obtain

**Corollary 3.3.** Under the assumptions of the theorem,

$$\mathcal{L}[\Delta_n | P_n, \theta_0] \to \mathcal{N}[0, \Gamma_p(\theta_0)]$$  \hspace{1cm} (3.21)

where $\Gamma_p(\theta_0)$ is defined by (3.16), $\Delta_n(\theta_0)$ by (3.17) and $h' \Delta_n(\theta_0) = \hat{S}_r$.

Summarizing, we have the asymptotic normality of $\Delta_n$ from (3.21) and Theorem 3.1 states that

$$\Lambda_{r,n} + h' \Delta_n \xrightarrow{Q_n, \theta_0} -\frac{1}{2} h' \Gamma_p(\theta_0) h, \quad h \in \mathbb{R}^k.$$

These two results lead to an exponential approximation of the sequence of alternatives from which asymptotic optimality properties may be obtained. In particular, the results for sequences of point estimators are just the conclusions from the theorem of Hájek (1970) which requires only these two results.

As far as testing problems are concerned, the results follow from the approximation of $P_n, \theta_n$ by the exponential family.
\[ R_{n,h}(A) = \exp[-B_n(h)] \int_A \exp[h'\Delta_n^*]dP_n, \theta_0 \]

based on a truncated version $\Delta_n^*$ of $\Delta_n$, as in Section 5 of Johnson and Roussas (1970) since none of the results from Section 4 onward require anything but Assumptions (A) and the approximation of $\Lambda_{r,n}$ by $\Delta_n$ which converges to a normal distribution (see Section 7 for conclusions). The results on multiparameter testing follow from Johnson and Roussas (1971).

Besides the conclusions stated at the start of the paper, just as in Theorem 6.2 of Johnson and Roussas (1970), we also conclude that the alternative distribution satisfies

\[ \mathcal{L}[\Delta_n(\theta_0)|P_n, \theta_n] \rightarrow (\Gamma_p h, \Gamma_p). \]  

(3.22)

As in Proposition 3.1, the measures $\{P_n, \theta_0\}$ and $\{P_n, \theta_n\}$ are contiguous. The result (3.22) enables one to calculate asymptotic power.

Finally, we note that, from Theorem 3.2, that $S_p$ could be used instead of $S_r$ to obtain the exponential approximation to $P_n, \theta_n$. The statistic $S_p$ is the one that approximates the likelihood, under Assumptions (A), for the sampling scheme which observes only the lifetimes which are not greater than $g_p$. The above lemma states that the asymptotically sufficient statistics for each of the two cases are asymptotically equivalent. See Kendall and Stuart (1967), page 523, for a statement that maximum likelihood estimation is the same for the two schemes although they do not state their conditions.
4. An interpretation of $S_r$.

We consider two special cases when $\Theta$ is a subset of the real line. For location families with $f_\Theta(x) = f(x-\theta)$, Assumptions (A) are satisfied if

$$0 < \int_{-\infty}^{\infty} \left[ \frac{f(x)}{f'(x)} \right]^2 f(x) dx < \infty.$$  

In this case, $2\varphi = -f'(x-\theta)/f(x-\theta)$ so that

$$\frac{-hF(Y_r)}{1-F_\theta(Y_r)} = \frac{hf_\theta(Y_r)}{1-F_\theta(Y_r)}$$  

(4.1)

which is the hazard rate evaluated at the $r^{th}$ order statistic.

For scale alternatives, $f_\theta(x) = \theta^{-1}f(x/\theta)$, $\theta > 0$, it is sufficient for Assumptions (A) to require that $\int_{-\infty}^{\infty} \left[ 1 + x \frac{f'(x)}{f(x)} \right]^2 f(x) dx < \infty$.

Then $2\varphi = \theta^{-1} [-1 - \frac{x}{\theta} \frac{f(x/\theta)}{f'(x/\theta)}]$ and

$$\frac{-hF(Y_r)}{1-F_\theta(Y_r)} = \frac{Y_r}{1-F_\theta(Y_r)} \frac{f_\theta(Y_r)}{f_\theta(Y_r)}$$  

(4.2)

Equations (4.1) and (4.2) show the manner in which the hazard rate carries the information on the unobserved order statistics in the case of scale or location alternatives. We also have the following general result which gives another interpretation.

**Lemma 4.1.** If Assumptions (A) hold, then

$$(n-r)E\left[ \frac{-h'F(Y_r)}{1-F_\theta(Y_r)} \right] = \sum_{j=r+1}^{n} E\left[ 2h'\varphi(Y_j) \right]$$  

(4.3)
Proof: Set \( b_{n,r} = (n-r)E[-h'F(Y_r)/1-F_0(Y_r)] \). Now \( b_{n,n} = 0 \) and a direct evaluation of \( b_{n,n-1} \), using integration by parts with \( dU = F^{n-2}f \) and \( h'F(y) \to 0 \) as \( y \to \infty (-\infty) \) (according to (2.4)) gives \( b_{n,n-1} = E[2h'\phi(Y_n)] \). Furthermore, an integration by parts with \( dU = -f[1-F]^{n-r-1} \) establishes that

\[
b_{n,r} = c_{n,r} \left[ h'F(y)\right] F^{r-1}(y)[1-F(y)]^{n-r} \int_{-\infty}^{\infty} \frac{d}{dy} + b_{n,r-1} E[2h'\phi(Y_r)]
\]

\[
= b_{n,r-1} E[2h'\phi(Y_r)] \quad 1 < r < n \tag{4.4}
\]

where \( c_{n,r} \) is the constant for the pdf of \( Y_r \).

Thus, a general solution of (4.4) is given by

\[
b_{n,r} = \sum_{j=r+1}^{N} E[2h'\phi(Y_j)] \cdot
\]

The result above shows that the "hazard" rate term has an expected value equal to the sum of the expected values of the unobserved scores, which themselves appear in the uncensored version in the general case. Besides giving some intuitive feeling for the manner in which the unobserved scores enter, this relationship is exactly what is needed to obtain the statistic for the locally most powerful rank test for the two sample case. It extends Johnson and Mehrotra (1972) to a general parameter. Furthermore, we also have the exact moments

\[
E S_p = 0 \tag{4.5}
\]

\[
E S_r = nE[2h'\phi(x_1)] = 0
\]

which follows from the lemma and (2.4).
We conclude with a particular example, the double exponential function
\[ f_0(x) = \frac{1}{2} \exp[-|x-0|] . \]

**Example.** It is well known that the pdf \( \frac{1}{2} \exp[-|x-0|] \) satisfies Assumptions (A) with \( \phi = \frac{1}{2} \text{sgn}(x-0) \). Since \( \theta_0 \) is a location parameter, we take \( \theta_0 = 0 \). Then \( \phi = \exp\left[\frac{1}{2}|x|-\frac{1}{2}|x-0|\right] \). We see that \( \phi \) is monotone in \( x \). Consider the scheme for \( p = \frac{1}{2} \) and \( \theta_n = \frac{h_n}{2}, h_n \to h \). Then \( \sqrt{n} |\phi-1| \leq |h_n|e^{\theta_n} \) is uniformly bounded. Thus (B'1) and (B'2) are satisfied. Here the censored tests are the same for all \( p \geq \frac{1}{2} \).

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References


