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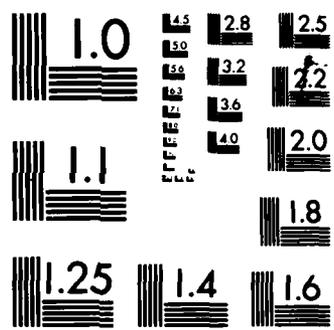
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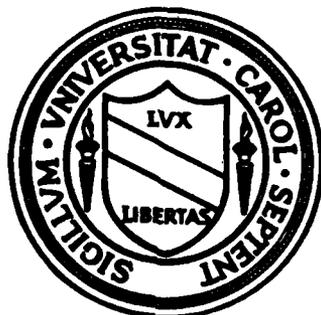
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# CENTER FOR STOCHASTIC PROCESSES

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ON THE NUMBER OF BOOTSTRAP SIMULATIONS REQUIRED TO  
CONSTRUCT A CONFIDENCE INTERVAL

by

Peter Hall

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ON THE NUMBER OF BOOTSTRAP SIMULATIONS REQUIRED TO  
CONSTRUCT A CONFIDENCE INTERVAL

by

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Summary. We make two points about the number,  $B$ , of bootstrap simulations needed to construct a percentile- $t$  confidence interval based on an  $n$ -sample from a continuous distribution: (i) The bootstrap's reduction of error of coverage probability, from  $O(n^{-1/2})$  to  $O(n^{-1})$ , is available uniformly in  $B$ , provided nominal coverage probability is a multiple of  $(B+1)^{-1}$ . In fact, this improvement is available even if the number of simulations is held fixed as  $n$  increases. (ii) In a large sample, the simulated statistic values behave like random observations from a continuous distribution, unless  $B$  increases faster than any power of sample size. Only if  $B$  increases exponentially quickly is there a detectable effect due to discreteness of the bootstrap statistic.

Key words: Bootstrap, confidence interval, number of simulations.

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1. Introduction

The purpose of this <sup>document</sup> note is to make two points about the effect of the number of bootstrap simulations,  $B$ , on percentile- $t$  bootstrap confidence intervals. The first point concerns coverage probability; the second, distance of the "simulated" critical point from the "true" critical point derived with  $B=\infty$ . In both cases <sup>the idea has</sup> we have in mind applications to "smooth" statistics, such as the Studentized mean of a sample drawn from a continuous distribution. ~~We shall indicate~~ the changes that have to be made if the distribution of the statistic is not smooth. *Add to the introduction: a paragraph on non-smooth functions.*

To make our point about coverage probability, recall that if we conduct  $B$  bootstrap simulations, the resulting statistic values divide the real line into  $B+1$  parts. Therefore in principle, confidence intervals whose critical points are based on  $B$  simulations have coverage probabilities close to nominal levels  $b/(B+1)$ , for  $b=1, \dots, B$ . If the sample size is  $n$  and  $B=\infty$ , then the "Edgeworth inversion" effect of the bootstrap argument means that true coverage probability of a confidence interval whose desired coverage is  $\alpha$ , is actually  $\alpha + \delta_n(\alpha)$ , and  $\delta_n \equiv \sup_{\alpha} |\delta_n(\alpha)| = O(n^{-1})$  (Hall 1984). This is a notable improvement over the level  $\alpha + O(n^{-1/2})$  offered by traditional methods. Strikingly, this improvement is available for *any* value of  $B$ , *even for fixed*  $B$ . In fact, if  $\delta_n^*$  is the worst possible error between true coverage probability and nominal coverage probability when only  $B$  simulations are used, then  $\delta_n^* \leq \delta_n$  *uniformly in*  $B$ . Therefore *the worst departure of true coverage probability from nominal coverage probability using any finite number of simulations, does not exceed the worst departure using an infinite number of simulations.*

For example, suppose we wish to construct a one-sided 90% confidence interval. The smallest value of  $B$  we can use is  $B=9$ : notice that  $90\% = 9/(9+1)$ .

The endpoint of the interval would be based on either the smallest or largest of the 9 simulations, depending on whether the interval was left-handed or right-handed. If we let  $n \rightarrow \infty$ , but always did only 9 simulations, then the coverage probability of our interval would still be  $0.9 + O(n^{-1})$ . So even with a fixed number of simulations, we improve on the traditional coverage probability of  $0.9 + O(n^{-1/2})$ .

This property forms a convenient safety-net for the bootstrap algorithm: if a statistician cannot conduct as many simulations as he would like, he can be sure that he pays virtually no penalty in terms of accuracy of coverage probability. The only penalty is in length of confidence interval - if  $B$  is small then the true critical point may stray from its limiting value when  $B \rightarrow \infty$ , so that there will be some tendency for confidence intervals to be over-long.

In addition,  $B$  does not have to be particularly large before exact coverage probability agrees with the theoretical limit as  $B \rightarrow \infty$ . For example, if  $B$  equals sample size then the probabilities only disagree at the level  $O(n^{-2})$ .

We shall investigate these properties in Section 2. As part of our study we shall give an explicit formula for the second-order term in an expansion of coverage probability for the case of Studentized mean. That formula makes it clear that if the sample is actually normally distributed, then *even using a fixed value of  $B$* , the coverage probability of a bootstrap confidence interval for population mean differs from the nominal level by only  $O(n^{-2})$ .

We shall also investigate the effect of the size of  $B$  on critical points. Remember that the distribution of the bootstrap statistic is discrete. Beran (1984), among others, has pondered the use of smoothing techniques to overcome discreteness. In Section 3 we shall show that under a very weak smoothness assumption, even weaker than continuity, the distribution of the simulated

bootstrap statistic behaves like a continuous distribution with a density uniformly close to the standard normal density. In fact, the error in this continuous approximation to the discrete bootstrap distribution is of order  $n^{-\lambda}$  for all  $\lambda > 0$ . We shall show that the number of bootstrap simulations,  $B$ , has to be an exponentially large function of sample size before the discreteness of the bootstrap distribution becomes apparent.

On the other hand, if the sampling distribution is lattice then it is easily seen that the atoms of the bootstrap statistic are of order  $n^{-1/2}$ , and then it is essential to smooth the distribution of the bootstrap statistic. Our results on coverage probability have analogues for lattice-valued statistics, but it should be remembered that in that case, rounding error reduces approximation order from  $n^{-1}$  to only  $n^{-1/2}$ .

We shall confine attention to one-sided, percentile- $t$  confidence intervals. The bias-corrected percentile technique (Efron 1979) is suitable only for two-sided intervals, and in that situation traditional methods, percentile methods and bias-corrected percentile methods all give coverage probabilities whose errors are of order  $n^{-1}$ . There, the advantages of the bootstrap cannot be reported so clearly in terms of coverage probability.

Related work includes that of Beran (1982,1984), Singh (1981) and Babu and Singh (1983), who have studied large-sample properties of the bootstrap algorithm. The latter two papers are concerned with conditional Edgeworth expansions. In Section 2 we shall briefly mention Edgeworth expansions, but those considered here are *unconditional*.

## 2. Coverage probability

Let  $\hat{\theta} = \hat{\theta}(X_1, \dots, X_n)$  be a  $\sqrt{n}$ -consistent estimator of a parameter  $\theta$ , based on a random sample  $X = \{X_1, \dots, X_n\}$ . Let  $n^{-1}\hat{\sigma}^2(X_1, \dots, X_n)$  be a consistent estimator of the variance of  $\hat{\theta}$ . We shall consider confidence intervals for  $\theta$  based on the statistic  $T = n^{1/2}(\hat{\theta} - \theta)/\hat{\sigma}$ .

Let  $Y_1, \dots, Y_n$  be independent and identically distributed, conditional on  $X$ , with distribution  $P(Y = X_j | X) = n^{-1}$ ,  $1 \leq j \leq n$ . The bootstrap statistic is obtained by using the sample  $Y \equiv \{Y_1, \dots, Y_n\}$  in place of  $X$ . Thus, we consider  $\hat{\theta}^* \equiv \hat{\theta}(Y_1, \dots, Y_n)$ ,  $\hat{\sigma}^* \equiv \hat{\sigma}(Y, \dots, Y_n)$ ,  $T^* \equiv n^{1/2}(\hat{\theta}^* - \hat{\theta})/\hat{\sigma}^*$ . We may work out the distribution of  $T^*$ , conditional on  $X$ , to arbitrary accuracy by means of simulation. Thus, we may define

$$t_\alpha \equiv \inf \{t: P(T^* \leq t | X) \geq \alpha\},$$

which is the bootstrap approximation to that point  $x_\alpha$  such that  $P(T \leq x_\alpha) = \alpha$ . For example, the "optimal" but unattainable interval  $I_0 = [\hat{\theta} - n^{-1/2}x_\alpha\hat{\sigma}, \infty)$  covers  $\theta$  with probability  $\alpha$ ; the interval  $I_1 \equiv [\hat{\theta} - n^{-1/2}t_\alpha\hat{\sigma}, \infty)$  covers  $\theta$  with probability  $\alpha + O(n^{-1})$ .

In practice the value of  $t_\alpha$  is usually itself estimated, by simulation. Conditional on  $X$ , let  $T_1^*, \dots, T_B^*$  be independent copies of  $T^*$ . Arrange them in ascending order:  $T_{(1)}^* \leq \dots \leq T_{(B)}^*$ . Suppose we select  $T_{(v+1)}^*$  as our approximation to  $t_\alpha$ , for a given integer  $0 \leq v \leq B-1$ . Let  $p \equiv P(T^* < T | X)$ , and conditional on  $X$ , let  $N$  have the binomial  $\text{Bi}(B, p)$  distribution. In place of  $I_1$ , we would use the interval  $I_2 \equiv [\hat{\theta} - n^{-1/2}T_{(v+1)}^*\hat{\sigma}, \infty)$ . Conditional on  $X$ , the chance that  $I_2$  covers  $\theta$  is

$$\begin{aligned} P(T \leq T_{(v+1)}^* | X) &= P(\text{at most } v \text{ out of } T_1^*, \dots, T_B^* \text{ are } < T | X) \\ &= P(N \leq v | X) = \sum_{j=0}^v \binom{B}{j} p^j (1-p)^{B-j}. \end{aligned}$$

Therefore the exact, unconditional coverage probability of  $I_2$ , is

$$a(v, B) \equiv \sum_{j=0}^v \binom{B}{j} \int_0^1 u^j (1-u)^{B-j} dP(p \leq u). \quad (2.1)$$

Had we been able to do an indefinite amount of simulation, we would have taken  $v \sim \alpha B$  as  $B \rightarrow \infty$ , and obtained the interval  $I_1$  whose coverage probability is

$$\lim_{B \rightarrow \infty} a(v, B) = P(p \leq \alpha).$$

Our aim is to determine how close  $a(v, B)$  is to its limit,  $P(p \leq \alpha)$ .

Hall (1984) has described expansions for the distribution of  $p$  in general circumstances. Those results show that  $p$  has asymptotically a uniform distribution, and that

$$P(p \leq \alpha) = \alpha + n^{-1} R_n(\alpha) \quad (2.2)$$

where  $R_n$  is bounded uniformly in  $n \geq 1$  and  $0 < \alpha < 1$ . Define

$$G(u) = \sum_{j=0}^v \binom{B}{j} u^j (1-u)^{B-j}.$$

Then by (2.1),

$$a(v, B) = (v+1)(B+1)^{-1} + n^{-1} \int_0^1 G(u) dR_n(u). \quad (2.3)$$

We call  $(v+1)(B+1)^{-1}$  the *nominal* coverage probability of confidence interval  $I_2$ . To simplify the integral in (2.3), let  $\tau = \tau(v, v)$  be the solution of  $G(\tau) = v$ , for  $0 < v < 1$ . Then

$$\int_0^1 G(u) dR_n(u) = \int_0^1 dR_n(u) \int_0^{G(u)} dv = \int_0^1 dv \int_0^{\tau} dR_n(u) = \int_0^1 R_n(\tau) dv,$$

and so

$$a(v, B) = (v+1)(B+1)^{-1} + n^{-1} \int_0^1 R_n(\tau) dv. \quad (2.4)$$

It is clear from (2.4) that if we seek a confidence interval whose coverage probability is a multiple of  $(B+1)^{-1}$ , then the worst error we commit if we simulate only  $B$  times is no more than  $n^{-1} \sup_{\alpha} |R_n(\alpha)|$ . In view of (2.2), this is the worst error committed if we simulate an *infinite* number of times. In this sense there is nothing to be gained, in terms of coverage probability, by simulating often. If we are after a 95% interval, and are not overly concerned about interval length, we might simulate  $B=19$  times and take  $v=18$ .

To investigate this phenomenon a little more deeply, we shall examine an asymptotic formula for  $R_n(\alpha)$ . Here it is convenient to concentrate on a special case, such as Studentized mean. There,  $X = \{X_1, \dots, X_n\}$  is a scalar random sample from a distribution with mean  $\mu$  and variance  $\sigma^2$ , and  $\theta = \mu$ ,  $\hat{\theta} = \bar{X} = n^{-1} \sum X_i$ ,  $\hat{\sigma}^2 = n^{-1} \sum (X_i - \bar{X})^2$ . The bootstrap argument may be used to set confidence intervals for  $\mu$  without knowing  $\sigma^2$ . Techniques developed in Hall (1984), although now requiring much more tedious algebra, give us

$$R_n(\alpha) = \psi_1(z_\alpha) \phi(z_\alpha) + n^{-1/2} \psi_2(z_\alpha) \phi(z_\alpha) + O(n^{-1})$$

uniformly in  $\alpha$ , where  $\phi$  is the standard normal distribution function,  $\phi = \Phi'$ ,  $z_\alpha$  is the solution of  $\Phi(z_\alpha) = \alpha$ ,

$$\begin{aligned} \psi_1(z) &= \frac{1}{6} \left( \frac{3}{2} \lambda_3^2 - \lambda_4 \right) z(1 + 2z^2), \\ \psi_2(z) &= -\lambda_3 \frac{1}{48} (1 + 2z^2)(z^4 - 18z^2 - 39) \\ &\quad - \lambda_3^3 \left\{ \frac{1}{96} (1 + 2z^2)(z^4 + 4z^2 - 23) + \frac{5}{24} z^2 (4z^2 - 1) \right\} \\ &\quad + \lambda_3 \lambda_4 \left\{ \frac{1}{288} (1 + 2z^2)(5z^4 + 2z^2 - 139) + \frac{z^2}{36} (36z^2 - 23) \right\} \\ &\quad - \lambda_5 \left\{ \frac{1}{144} (1 + 2z^2)(z^4 - 6z^2 - 33) + \frac{1}{12} z^2 (z^2 - 3) \right\}, \end{aligned}$$

and  $\lambda_j$  is the standardized j'th cumulant; for example,  $\lambda_3 = E(X-\mu)^3 \sigma^{-3}$  and  $\lambda_4 = E(X-\mu)^4 \sigma^{-4} - 3$ . An outline of the argument is given in Appendix (i). For simplicity, define  $Q_j(\alpha) \equiv \psi_j(z_\alpha) \phi(z_\alpha)$ ; then

$$P(p \leq \alpha) = \alpha + n^{-1}Q_1(\alpha) + n^{-3/2}Q_2(\alpha) + O(n^{-2}) \quad (2.5)$$

uniformly in  $\alpha$ . From (2.4) we obtain:

$$a(v, B) = (v+1)(B+1)^{-1} + n^{-1} \int_0^1 Q_1(\tau) dv + n^{-3/2} \int_0^1 Q_2(\tau) dv + O(n^{-2}) \quad (2.6)$$

uniformly in  $0 \leq v \leq B-1$  and  $B \geq 1$ . A little asymptotic analysis based on the normal approximation to the binomial shows that

$$\tau(v, v) = \beta - B^{-1/2} \{ \beta(1-\beta) \}^{1/2} z_v + B^{-1} \frac{1}{6} (1-2\beta)(1+2z_v^2) + o(B^{-1}),$$

where  $\beta = (v + \frac{1}{2})B^{-1}$ . This expansion holds uniformly in values  $v \in (B^{-2}, 1-B^{-2})$ . Substituting into (2.6) and noting that  $\int z_v dv = 0$ , we get:

$$a(v, B) = \alpha' + n^{-1}Q_1(\alpha') + n^{-3/2}Q_2(\alpha') + O(n^{-1}B^{-1} + n^{-2}),$$

where  $\alpha' = (v+1)(B+1)^{-1}$ . This expansion is virtually identical to (2.5).

If  $B$  is chosen so that nominal coverage probability equals  $\alpha$ , then  $a(v, B)$  and  $P(p \leq \alpha)$  agree to second order if  $B$  is of larger order than square root of sample size, and to third order if  $B$  is of larger order than sample size.

### 3. Critical Point

For the sake of definiteness we shall concentrate on the Studentized mean. We shall impose Cramér's smoothness condition on the pair  $(X, X^2)$ :

$$\limsup_{|s|+|t| \rightarrow \infty} |E \exp(isX + itX^2)| < 1. \quad (3.1)$$

This condition holds for any random variable  $X$  whose distribution has a nontrivial continuous component, and also for certain singular distributions.

Our initial aim is to investigate the smoothness of the distribution of  $T^*$ , conditional on  $X$ . Of course,  $T^*$  has a discrete distribution, with atoms determined by the sample  $X$ . We may artificially smooth that distribution by adding small, continuous errors to the simulated sample points  $Y_i$ . For example, take  $\ell > 0$  and let  $N_1, \dots, N_n$  be independent  $N(0, n^{-2\ell})$  random variables independent of  $X$  and  $Y$ . (Remember:  $X = \{X_1, \dots, X_n\}$ ,  $Y = \{Y_1, \dots, Y_n\}$ .) Set  $Z_i \equiv Y_i + N_i$ ,  $\bar{Z} \equiv n^{-1} \sum Z_i$  and

$$T' \equiv n^{1/2}(\bar{Z} - \bar{X}) / (n^{-1} \sum Z_i^2 - \bar{Z}^2)^{1/2}.$$

The presence of the smooth perturbations  $N_i$  means that conditional on  $X$ ,  $T'$  has a continuous distribution with density  $g$ , say. Given any  $\lambda > 0$  we may choose  $\ell$  so large that with probability one,

$$P(|T' - T^*| > n^{-\lambda} | X) = 0 \quad (n^{-\lambda}) \quad (3.2)$$

as  $n \rightarrow \infty$ . In this sense, the *discrete* random variable  $T^*$  may be approximated by a *continuous* variable  $T'$ , with an error of order  $n^{-\lambda}$  for arbitrarily large  $\lambda$ .

At first sight this approximation seems spurious, and the reader is justified in being very skeptical. It seems likely that the density of  $g$  will closely track the atoms of the discrete distribution of  $T^*$ , and so be quite unsmooth. After all, the continuous approximation is only supported by minute perturbations  $N_i$ , which are shrinking to zero at a rate of  $n^{-\ell}$  for arbitrarily large  $\ell$ .

However, the theorem below shows that the density  $g$  is actually quite smooth. In fact, no matter how large the value of  $l$ ,  $g$  uniformly approximates the standard normal density  $\phi$ .

Theorem 3.1. Assume condition (3.1), and that  $E(|X|^{4+\epsilon}) < \infty$  for some  $\epsilon > 0$ . Then for each  $l > 0$ ,

$$\sup_{-\infty < x < \infty} |g(x) - \phi(x)| \rightarrow 0 \quad (3.3)$$

almost surely as  $n \rightarrow \infty$ .

The proof uses standard techniques of Fourier inversion, and will be outlined in Appendix (ii). The key to this result is the fact that the order of the approximation in (3.2) is not required to be exponentially small. There exist constants  $c_n$  decreasing very rapidly to zero such that, if (3.2) holds for a continuous variable  $T'$  and with  $c_n$  replacing  $n^{-\lambda}$ , then the approximation at (3.3) breaks down. In that case the density  $g$  does track the atoms of  $T^*$  too closely.

Theorem 3.1 implies that the simulated bootstrap values behave like values from a continuous distribution, provided  $B$  is not exponentially large. For example, suppose we conduct  $B$  simulations and use  $T_{(v+1)}^*$  as our approximation to the true critical point  $t_\alpha$ . Assume  $v$  is chosen so that  $v = \alpha B + o(B^{1/2})$  as  $B \rightarrow \infty$ ; this is quite reasonable, since we would usually have  $v = \alpha B + O(1)$ . We shall prove below that if  $B$  increases no faster than  $n^\lambda$ , for any  $\lambda > 0$ , then as  $B$  and  $n \rightarrow \infty$  the conditional probability  $P\{B^{1/2}(T_{(v+1)}^* - t_\alpha) \leq x | X\}$  converges to the probability that a normal variable with zero mean and variance  $\sigma^2 = \alpha(1-\alpha)/\phi^2(z_\alpha)$ , does not exceed  $x$ . Therefore  $B^{1/2}(T_{(v+1)}^* - t_\alpha)$  has a limiting  $N(0, \sigma^2)$  density, conditional on  $X$  and also unconditionally. This is the limiting distribution of the  $\alpha$ 'th quantile from a continuous

distribution whose density converges uniformly to the standard normal density. The result will fail if  $B$  increases too quickly, but  $B$  has to increase faster than any power of sample size before the discreteness of the distribution of  $T^*$  becomes apparent. Therefore, provided the sampling distribution is continuous, we seldom need to smooth before constructing critical points.

To prove the result stated in the previous paragraph, let  $y \equiv t_\alpha + B^{-1/2}x$  and  $q \equiv P(T^* \leq y|X)$ , and observe that with probability one,

$$\begin{aligned} P\{B^{1/2}(T_{(v+1)}^* - t_\alpha) \leq x|X\} &= P(T_{(v+1)}^* \leq y|X) \\ &= \sum_{j=v+1}^B \binom{B}{j} q^j (1-q)^{B-j} = 1 - \Phi[(v+1-Bq)\{Bq(1-q)\}^{-1/2}] + o(1), \end{aligned} \quad (3.4)$$

using the normal approximation to the binomial. If we show that with probability one,

$$q = \alpha + B^{-1/2}x\phi(z_\alpha) + o(B^{-1/2}), \quad (3.5)$$

then it will follow that the right-hand side of (3.4) converges almost surely to  $\Phi[x\phi(z_\alpha)\{\alpha(1-\alpha)\}^{-1/2}]$ , as required. Choose  $\lambda > 0$  so large that  $B/n^\lambda \rightarrow 0$ , and let  $T'$  be as in (3.2). In view of (3.2), result (3.5) will follow if we show that for each  $-\infty < x < \infty$ , and with probability one,

$$P(T' \leq t_\alpha + B^{-1/2}x|X) = \alpha + B^{-1/2}x\phi(z_\alpha) + o(B^{-1/2}). \quad (3.6)$$

But Theorem 3.1 implies that

$$P(T' \leq t_\alpha + B^{-1/2}x|X) = P(T' \leq t_\alpha|X) + B^{-1/2}x\phi(t_\alpha) + o(B^{-1/2}). \quad (3.7)$$

It also follows from the theorem, and from the definition of  $t_\alpha$ , that

$$\begin{aligned} P(T' \leq t_\alpha|X) &\leq P(T' \leq t_\alpha - 2B^{-1}|X) + o(B^{-1}) \\ &\leq P(T \leq t_\alpha - B^{-1}|X) + o(B^{-1/2}) \leq \alpha + o(B^{-1/2}), \end{aligned}$$

and likewise  $P(T' \leq t_\alpha | X) \geq \alpha + o(B^{-1/2})$ . Therefore  $P(T' \leq t_\alpha | X) = \alpha + o(B^{-1/2})$ . Result (3.6) is now immediate from (3.7).

Appendix (i): Verification of (2.5)<sup>(1)</sup>

The proof is similar to Hall (1984), although with considerably greater complexity. The only smoothness condition required is (3.1). To identify functions  $Q_1$  and  $Q_2$ , let  $T$  be the Studentized mean and let  $\pi_1, \pi_2, \pi_3$  be polynomials defined by the following inverse Cornish-Fisher expansion:

$$P\{T \leq x + n^{-1/2}\pi_1(x) + n^{-1}\pi_2(x) + n^{-3/2}\pi_3(x)\} = \Phi(x) + O(n^{-2}).$$

Formulae may be derived using results of Geary (1947); for example,

$$\pi_2(x) = z\{(5/72)\lambda_3^2(4z^2-1) - (1/12)\lambda_4(z^2-3) + (1/4)(z^2+1)\}.$$

Let  $\Pi_j$  denote the version of  $\pi_j$  in which  $\lambda_j$  is replaced by its sample estimate  $\hat{\lambda}_j$ ; for example,  $\hat{\lambda}_4 = \hat{\sigma}^{-4}n^{-1} \sum (X_i - \bar{X})^4 - 3$ . The functions  $Q_1, Q_2$  are obtainable from the relation

$$\begin{aligned} P\{T \leq z_\alpha + n^{-1/2}\Pi_1(z_\alpha) + n^{-1}\Pi_2(z_\alpha) + n^{-3/2}\Pi_3(z_\alpha)\} &= P(p \leq \alpha) + O(n^{-2}) \\ &= \alpha + n^{-1}Q_1(\alpha) + n^{-3/2}Q_2(\alpha) + O(n^{-2}). \end{aligned} \tag{A.1}$$

First find the cumulants of the random variable

$$S(\alpha) \equiv T - n^{-1/2}\Pi_1(z_\alpha) - n^{-1}\Pi_2(z_\alpha) - n^{-3/2}\Pi_3(z_\alpha)$$

to order  $n^{-2}$ ; then use the cumulants to obtain an Edgeworth expansion of  $P\{S(\alpha) \leq x\}$  to order  $n^{-2}$ ; and finally set  $x = z_\alpha$ , to obtain formula (2.5) via (A.1).

(1) For easy comparison with classical literature, we assume sample variance has divisor  $n-1$ , not  $n$ . Notice that (2.5) is invariant under changes of scale of  $T$ .

Appendix (ii): Proof of Theorem 3.1.

Without loss of generality,  $E(X)=0$ . Let  $W_i = Z_i - \bar{X}$ ,  $w^2 = E(W_1^2 | X)$ ,  $U_i = (W_i, W_1^2 - w^2)$ ,  $U = n^{-1/2} \sum U_i$ ,  $\Sigma = \text{var}(U_1 | X)$ ,  $f$  be the density of  $U$  conditional on  $X$ ,  $f_0$  be the conditional density of the bivariate normal distribution with zero mean and covariance  $\Sigma$ , and  $\chi, \chi_0$  be the characteristic functions of  $f, f_0$ , respectively. Notice that

$$g(x) = \int_{-1/2}^{\infty} \{(1+n^{-1/2}v)(1+n^{-1}x^2)^{-3}\}^{1/2} w^3 f\{wu(x,v), w^2v\} dv, \quad (\text{A.2})$$

where  $u(x,v) \equiv x\{(1+n^{-1/2}v)(1+n^{-1}x^2)^{-1}\}^{1/2}$ . Define  $g_0$  by (A.2) but with  $f_0$  replacing  $f$ . It is easily proved that  $\sup |g_0 - \phi| \xrightarrow{\text{a.s.}} 0$ , and so it suffices to show  $\sup |g - g_0| \xrightarrow{\text{a.s.}} 0$ . For this, we may show

$$\sup (1 + |y|^2) |f(y) - f_0(y)| \xrightarrow{\text{a.s.}} 0.$$

That result follows by Fourier inversion if we prove that for nonnegative integer vectors  $\gamma = (\gamma_1, \gamma_2)$  with  $\gamma_1 + \gamma_2 \leq 2$ ,  $\int |D^\gamma(\chi - \chi_0)| \xrightarrow{\text{a.s.}} 0$ , where  $D$  is the differential operator. We treat only  $\gamma = 0$ ; other cases are similar.

Characteristic function manipulations common to estimates of rates of convergence show that for some small  $\eta > 0$ , and for all sufficiently large  $n$ ,

$$\sup_{|t| \leq n\eta^{1/2}} |\chi_n(t) - \chi_0(t)| e^{nt^2} \leq n^{-1} n^{-\eta}$$

with probability one. Therefore it suffices to prove

$$\int_{|t| > n\eta^{1/2}} |\chi_n(t)| dt \xrightarrow{\text{a.s.}} 0. \quad (\text{A.2})$$

Notice that if  $N$  is standard normal,  $|E \exp(isN + itN^2)|^5$  is integrable in  $(s,t)$ . From this fact, taking  $n \geq 5$ , and letting  $\xi_n$  be the empiric characteristic function of the sample of pairs  $(X_i, X_i^2)$ ,  $1 \leq i \leq n$ , we see that the left

side of (A.2) is dominated by

$$\text{const. } n^{4\ell} \sup_{t_1^2 + t_2^2 > n^2} |\xi_n(t_1 - 2t_2\bar{x}, t_2)|^{n-5}$$

for all sufficiently large  $n$ . Finally observe that  $\sup |\xi_n - E\xi_n| \xrightarrow{\text{a.s.}} 0$ , and invoke condition (3.1).

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