NEW VERSION OF OPTIMAL STOPPING PROBLEM

by

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ABSTRACT

WAI-LUN LAM. New Version of Optimal Stopping Problem. (Under the direction of DR. STANISLAV MOLCHANOV)

This dissertation contains several new results concerning Moser-type optimal stopping problems. In the simplest case we consider sequence of independent uniformly distributed points $X_1, X_2, \cdots, X_n$ on the compact Riemannian manifold $\mathcal{M}$ and give algorithm for the calculation of $S_n = \max\limits_{\tau \leq n} E[\mathcal{G}(X_\tau)]$ where $\mathcal{G}$ is a smooth function on $\mathcal{M}$ and τ is a random optimal stopping time. Description of the optimal τ depends on the structure of $\mathcal{G}$ near points of maximum. For different assumptions on this structure we calculate asymptotics of S_n.

DEDICATION

I dedicate this dissertation to my beloved mother, whose unwavering love, guidance, and sacrifices have shaped me into the person I am today. Her boundless wisdom and unfaltering support have been my guiding light through life's challenges. Without her endless encouragement and patience, I would not have achieved this milestone. This achievement unquestionably belongs not only to me, but to both of us. Though she resides among the stars now, her spirit and love continue to inspire me every day. With heartfelt gratitude and immense love, I dedicate this accomplishment to her, wishing her eternal happiness and peace.

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CHAPTER 1: INTRODUCTION

The Moser problem is a classic problem of optimal stopping theory. This branch of probability and decision theory focuses on determining the optimal strategy for making decisions in a sequential manner. The Moser problem, named after Leo Moser who proposed it in 1965, presents a captivating scenario where an individual must decide when to stop a sequential process in order to maximize the expected reward.

In Moser problem, the decision-maker is confronted with a sequence of options, each associated with a certain reward or penalty. The challenge lies in determining the optimal stopping rule - the point in the sequence at which the decision-maker should halt the process to attain the maximum expected reward. This problem is characterized by its simplicity in formulation but complexity in finding an optimal solution, making it an intriguing problem in the realm of decision theory.

Moser problem helps exploring the underlying principles of optimal stopping, seeking general strategies and insights that can be applied to a broader class of problems. It serves as a valuable case study, contributing to our understanding of decision-making under uncertainty and offering practical applications in diverse fields, including finance, operations research, and artificial intelligence. Analyzing the Moser problem provides a glimpse into the intricate balance between exploration and exploitation, shedding light on the delicate trade-offs inherent in sequential decision-making processes.

1.1 Motivation for Moser problem

Let's formulate the Moser problem. Suppose a gambler possesses n opportunities to randomly draw a number from the interval $[0, 1]$. After each draw, the gambler examines the number drawn. If the number is rejected, the gambler has the option to draw again from the remaining $n-1$ chances. This process repeats until the gambler decides to stop drawing, at which point he/she receives the value of the last drawn number. The question is how should the gambler achieve the maximum mean value in this game?

To translate this problem to a mathematical setting. Let $X_1, \cdots, X_n$ be i.i.d random variables uniformly distributed on $[0, 1]$ and τ be the stopping times for this sequence such that $\forall k \geq 1,\ \{\tau = k\} \in \mathcal{F}_k = \sigma(X_1, \cdots, X_k)$. We are interested in the maximum expected reward

$$S_n = \max_{\tau \leq n} E[X_\tau].$$

By using the Bellman's principle one can find the recursive relation

$$\begin{cases} S_{n+1} = \frac{1+S_n^2}{2},\ n \geq 1 \\ S_1 = \frac{1}{2}. \end{cases}$$

Then by applying the standard formulas for the asymptotics of the iterations $x_{n+1} = g(x_n)$ with appropriate conditions on $g(x)$, one can prove that

$$S_n = 1 - \frac{1}{n} + o(\frac{1}{n}).$$

See details in [1], [2].

More general problem for i.i.d. random variables (not necessarily uniformly distributed but supported on the finite interval, say $[0, L]$) with continuous positive density $f(x)$ on $[0,1]$ has the similar form. One can find

$$S_n = \max_{\tau \le n} E[X_\tau], \quad \{\tau_k\} \in \sigma(X_1, \cdots, X_k)$$

Again the Bellman's principle gives the recursive formula

$$\begin{cases} S_{n+1} = H(S_n), \ S_1 = E[X_1] \\ H(x) = \int_x^L zf(z)dz + x\int_0^x f(z)dz. \end{cases}$$

It can be proved that as $n \to \infty$, the sequence S_n monotonically increases towards L, i.e. $S_n \uparrow L, \ n \to \infty$. Moreover, under some regularity condition on $f(x)$ near $x = L$, one can find asymptotics of $S_n, \ n \to \infty$. Simplest regularity condition

$$f(x) \sim c(L-x)^\alpha \mathcal{L}\left(\frac{1}{L-x}\right), \ x \uparrow L$$

where $\alpha > -1$ and $\mathcal{L}(z)$ is slowly varying function if $z \to +\infty$.

Furthermore, the first publication addressing the Moser problem with unbounded random variables is attributed to Karlin [3]. Let $X_1, \cdots, X_n$ are i.i.d. exp(1) random variables, i.e. $P\{X_1 > x\} = e^{-x}$. Then

$$\begin{cases} S_{n+1} = S_n + e^{-S_n} \\ S_n = \ln n + \frac{1}{n} + o(\frac{1}{n}), \ n \to \infty. \end{cases}$$

See details in appendix A. From this point on, when addressing the Moser problem in the context of non-uniform probability distributions, we will refer to it as the Moser-type problem. The term "Moser problem" will be reserved for scenarios involving uniformly distributed random variables on $[0,1]$.

In the subsequent chapters, we'll study the scenarios involving random variables $X_1, \cdots, X_n$ characterized by distributions with an unknown parameter and involve an atom. Subsequently, we explore scenarios concerning the maximum expected value within an open set of a compact Riemannian manifold with a special function.

CHAPTER 2: MOSER-TYPE PROBLEMS

2.1 Non-stationary Moser-type problem

New results in this area of Moser-type problem concern the situation of the reward function $\mathcal{G} : \mathcal{M} \to \mathbb{R}$ occurs on an open set of a compact Riemannian manifold $\mathcal{M}$. Let τ be a stopping time, i.e. $\{\tau_n = k\} \in \sigma(X_1, \cdots, X_k)$. The goal is to find

$$S_n = \max_{\tau \leq n} E[\mathcal{G}(X_\tau)].$$

Plateau reward function. Consider the simplest example when $\mathcal{M} = [0, 1]$ .Suppose that $X_1, \cdots, X_n$ are iid random variables uniformly distributed on interval $[0, 1]$ and $\mathcal{G} : [0, 1] \to [0, 1 - \delta]$ is a C^2 function such that

$$\mathcal{G}(x) = \begin{cases} x & , if \ 0 \leq x < 1 - \delta \\ 1 - \delta & , if \ 1 - \delta \leq x \leq 1 \end{cases}$$

where $0 < \delta << 1$. Since such a function resembles a plateau, let's just call this the plateau function. It worth to note that the plateau function is more general than a linear function. Notice that if we set $\delta = 0$, the problem will be reduced back to the classical Moser problem. Let's fix some threshold for each step $1 > h_n \geq h_{n-1} \geq \cdots \geq h_1$ and let

$$Y_1 = \mathcal{G}(X_1), \cdots, Y_n = \mathcal{G}(X_n)$$

be iid random variables distributed on $[0,1]$. The probability distribution of Y is

$$P\{Y \leq y\} = \begin{cases} \frac{y}{1-\delta} & , 0 \leq y < 1-\delta \\ 1 & , 1-\delta \leq y \leq 1 \end{cases}$$

and the corresponding probability density is

$$f(y) = \begin{cases} \frac{1}{1-\delta} & , 0 \leq y < 1-\delta \\ 0 & , 1-\delta \leq y \leq 1. \end{cases}$$

Then the maximum expectation, i.e, $S_n = \max_{h_n} E[Y_n]$, can be calculated with the law of total expectation as

$$\begin{aligned} S_n &= \max_{h_n} \left(E[Y_n|Y_n \geq h_n]P\{Y_n \geq h_n\} + E[Y_n|Y_n < h_n]P\{Y_n < h_n\} \right) \\ &= \max_{h_n} \left(\int_{h_n}^{1-\delta} \frac{y}{1-\delta} dy + \frac{h_n}{1-\delta} S_{n-1} \right) \\ &= \max_{h_n} \left(\frac{(1-\delta)^2 - h_n^2}{2(1-\delta)} + \frac{h_n}{1-\delta} S_{n-1} \right). \end{aligned} \tag{2.1}$$

Then take the derivative of above equation with respect to h_n and set zero implies

$$h_n = S_{n-1}.$$

Replace all the h_n in equation (2.1) to be S_{n-1}, we have

$$S_n = \frac{(1-\delta)^2 + S_{n-1}^2}{2(1-\delta)}$$

Now rewrite the recursive relation as a function

$$g(x) = \frac{(1-\delta)^2 + x^2}{2(1-\delta)}.$$

By the fix point theorem, $g(x) = x$ gives the solution $x = 1 - \delta$. Since $g'(1 - \delta) < 1$, g is contractive and $g(S_n) \to 1 - \delta$ as $n \to \infty$. Let

$$h_n = (1 - \delta) - g(S_n)$$

implies

$$(1 - \delta) - h_n = \frac{(1 - \delta)^2 + ((1 - \delta) - h_{n-1})^2}{2(1 - \delta)}$$

implies

$$h_n = h_{n-1} - \frac{h_{n-1}^2}{2(1 - \delta)}.$$

Now let $k = 2$ and $a = \frac{1}{2(1-\delta)}$.Then by the theorem in Pólya and Szëgo [4] (more details of recursive asymtotics analysis can be find in [5].),

$$nh_n \longrightarrow 2(1 - \delta) \;\; as \;\; n \to \infty$$

implies the following asymptotic relationship when n is large

$$S_n \sim (1 - \delta) \left(1 - \frac{2}{n}\right).$$

and $S_n \to 1 - \delta$ as $n \to \infty$.

Let's also formulate a lemma describes the probability distribution of the stopping time τ.

Lemma. Let $X_1, \cdots, X_n$ be iid random variables uniformly distributed on $[0, 1]$ with the plateau function and let $t \in \{1, \cdots, n\}$ and $\tau_n = \min\{t \leq \tau : X_t = 1 - \delta\}$ where $0 < \delta << 1$ is a constant, then τ_n is asymptotically geometric distributed, i.e. $P\{\tau_n = k\} \to (1 - \delta)\delta^{k-1}, k \geq 1$ as $n \to \infty$.

Proof. Let $0 < \delta << 1$ and fix $k \geq 1$, then

$$\begin{aligned} P\{\tau_n = k\} &= P\{X_1 \leq 1-\delta, X_2 \leq 1-\delta, \cdots, X_k = 1-\delta\} \\ &= P\{X_1 \leq 1-\delta\}P\{X_2 \leq 1-\delta\}\cdots P\{X_k = 1-\delta\} \\ &= (1-(1-\delta))^{k-1}(1-\delta) \\ &= \delta^{k-1}(1-\delta). \end{aligned}$$

That is,

$$P\{\tau_n = k\} \xrightarrow{n\to\infty} \delta^{k-1}(1-\delta).$$

□

We will be applying this lemma in the last chapter when we discuss the Moser-type problem with Markov chain on compact Riemannian manifolds.

2.2 Probability distribution with incomplete information

When the distribution of the random variables has an unknown parameter, one can apply statistical method such as maximum likelihood estimation to estimate it. The maximum likelihood method provides us a way to develop the sense of stopping in the game.

Let $X_1, \cdots, X_n$ be iid uniform random variables on interval $[0, a]$ where a is an unknown positive constant. Since the player does not have any information at all when the game starts, the he/she should always observe X_1. To establish the sense of stopping, the maximum likelihood estimation can be applied on unknown a. Let $1 \leq m \leq n$, then the log-likelihood function can be written as

$$L(a|X_1, \cdots, X_m) = \prod_{i=1}^{m} f(x_i|a) = \frac{1}{a^m}.$$

Then the log-likelihood becomes

$$\log L(a|X_1, \cdots, X_m) = -m \log a.$$

Then the derivative of the log-likelihood function is

$$\frac{d}{da} \log L(a|X_1, \cdots, X_m) = -\frac{m}{a}.$$

Since the derivative is a monotone decreasing function, the estimated parameter is

$$\hat{a}_m = \max(X_1, \cdots, X_m)$$

and since $E\left[\hat{M}_m\right] = E\left[\frac{m}{m-1}\hat{a}_m\right] = a = M_m$, the unbiased estimated maximum is

$$\hat{M}_m = \frac{m}{m-1}\hat{a}_m.$$

The concept of employing the maximum likelihood method prompts us to iteratively refine the unbiased estimation of parameter a at each step of the process. This iterative approach allows for continual improvement in the accuracy of our estimation as more data is collected, resulting in a more robust and reliable estimation of the parameter a over time.

Let's calculate the probability distribution of X. For each step m,

$$P\{X \leq x\} = \frac{x}{\hat{a}_m}$$

and the probability density is

$$f(x) = \frac{1}{\hat{a}_m}\mathbf{1}(0 \leq x \leq \hat{a}_m).$$

Then the maximum expectation becomes

$$\begin{aligned} S_n &= \max_{h_n} \Big(E[X_n|X_n \geq h_n] P\{X_n \geq h_n\} + E[X_n|X_n < h_n] P\{X_n < h_n\} \Big) \\ &= \max_{h_n} \left(\int_{h_n}^{\hat{a}_n} \frac{x}{\hat{a}_n} dx + \frac{h_n}{\hat{a}_n} S_{n-1} \right) \\ &= \max_{h_n} \left(\frac{\hat{a}_n^2 - h_n^2}{2\hat{a}_n} + \frac{h_n}{\hat{a}_n} S_{n-1} \right). \end{aligned} \tag{2.1}$$

Take the derivative of the above equation with respect to h_n and set zero implies

$$-\frac{h_n}{\hat{a}_n} + \frac{S_{n-1}}{\hat{a}_n} = 0$$

implies

$$h_n = S_{n-1}.$$

Substitute this result back to (2.1), then

$$S_n = \frac{\hat{a}_n^2 + S_{n-1}^2}{2\hat{a}_n}. \tag{2.2}$$

Now rewrite the recursive relation as a function

$$g(x) = \frac{\hat{a}_n^2 + x^2}{2\hat{a}_n}$$

by fixed point theorem, $g(x) = x$ gives

$$x = \frac{\hat{a}_n^2 + x^2}{2\hat{a}_n}$$

and the solution is

$$x = \hat{a}_n.$$

Since $g'(\hat{a}_n) \leq 1$, g is contractive and $g(S_n) \to \hat{a}_n$ as $n \to \infty$. Let

$$h_n = \hat{a}_n - g(S_n)$$

implies

$$\hat{a}_n - h_n = \frac{\hat{a}_n^2 + (\hat{a}_n - h_{n-1})^2}{2\hat{a}_n}$$

implies

$$h_n = h_{n-1} - \frac{h_{n-1}^2}{2\hat{a}_n}.$$

Now let $k = 2$ and $a = \frac{1}{2\hat{a}_n}$. Then by Pólya and Szëgo theorem,

$$nh_n \to 2\hat{a}_n \;\; as \;\; n \to \infty$$

implies he following asymptotic relationship when n is large

$$S_n \sim \hat{a}_n \left(1 - \frac{2}{n}\right)$$

that is $S_n \to \hat{a}_\infty$ as $n \to \infty$.

Lemma. Let $X_1, \cdots, X_n$ be iid uniformly distributed random variables and let $F(x) \sim 1 - c(1-x)^\beta, \beta > 0$ where c is a constant. Then

$$S_n \sim 1 + \frac{A}{n^\beta}$$

where A is a constant.

Proof.

$$
\begin{aligned}
S_n &= \max_{h_n}\left(\int_{h_n}^{1} 1 - c(1-x)^{\beta}dx + S_{n-1}\int_{0}^{h_n} dx\right)\\
&= \max_{h_n}\left((1-h_n) - c\int_{h_n}^{1}(1-x)^{\beta}dx + h_n S_{n-1}\right)\\
&= \max_{h_n}\left((1-h_n) + \frac{c}{\beta+1}(1-h_n)^{\beta+1} + h_n S_{n-1}\right)
\end{aligned}
$$

then take derivative of above equation and set zero implies

$$
h_n = 1 - \left(\frac{S_{n-1}-1}{c}\right)^{1/\beta}
$$

Now substitute this back to equation (2.2), we have

$$
S_n = \left(\frac{-c\beta}{1+\beta}\right)\left(\frac{S_{n-1}-1}{c}\right)^{\frac{1+\beta}{\beta}} + S_{n-1}
$$

Now rewrite the recursive relation as a function

$$
g(x) = \left(\frac{-c\beta}{1+\beta}\right)\left(\frac{x-1}{c}\right)^{\frac{1+\beta}{\beta}} + x
$$

by fixed point theorem, $g(x) = x$ gives the solution $x = 1$.

Since $g'(1) = 1$, g is contractive and $g(S_n) \to 1$ as $n \to \infty$. Let

$$
h_n = 1 - g(S_n)
$$

implies

$$
1 - h_n = \left(\frac{-c\beta}{1+\beta}\right)\left(\frac{(1-h_{n-1})-1}{c}\right)^{\frac{1+\beta}{\beta}} + (1-h_{n-1})
$$

implies

$$h_n = h_{n-1} + \frac{c\beta}{1+\beta}\left(\frac{-h_{n-1}}{c}\right)^{\frac{1+\beta}{\beta}}$$

Now let $k = \frac{1+\beta}{\beta}$ and $a = -\frac{c\beta}{1+\beta}\left(-\frac{1}{c}\right)^{\frac{1+\beta}{\beta}}$. Then by the Pólya and Szëgo theorem,

$$n^\beta h_n \to (-1)^{\beta+2}\frac{c(c\beta)^{\beta+1}}{1+\beta}$$

Then the maximum expectation becomes

$$S_n \sim 1 + \frac{c(-c\beta)^{\beta+1}}{(1+\beta)n^\beta}$$

$\square$

2.3 Probability distribution with an atom

The inclusion of atoms in probability distributions within decision-making theory traces back to the mid-20th century, with seminal contributions from mathematicians such as Leonard J. Savage [6], [7]. His work laid the groundwork for understanding decision-making under uncertainty, highlighting the importance of considering rare events or extreme outcomes in probabilistic models to better reflect real-world scenarios.

Here we discuss about one simple scenario with distribution with an atom. Consider $X_1, \cdots, X_n$ are iid random variable with density contains an atom of unknown mass π_0 such that

$$f(x) = \begin{cases} \pi_0\delta(x - \frac{a}{2}) & , if\ x = \frac{a}{2} \\ 1 - \pi_0 & , if\ x \in [0, \frac{a}{2}) \cup (\frac{a}{2}, a] \end{cases}$$

where a is an unknown constant. In this case, since the location of the atom is unknown, large sample size is the key to reveal the location of the atom.

Suppose this game is repeated one million times with mass of atom $\pi_0 = \frac{1}{2}$, then $(1-\frac{1}{2})^{10^6}$ is the probability that the outcome does not hit the atom. This probability is extremely small. In contrast, the probability of getting the atom is extremely high. The central limit theorem tells us that the outcomes will occur within $\frac{a}{2} \pm \sqrt{10^6(\frac{1}{2})(1-\frac{1}{2})}$ which is a narrow region. It means that if the player see an exact outcome occurs twice or repeatedly, he/she can be sure that is the atom and the time for the atom appears repeatedly is called the collision time.

If the mass of an atom is very small, then the effect is negligible and the situation reduces back to the previous examples.

2.4 Stationary Moser-type problem

In Moser problem, the optimal strategy depends on the time interval, that is the number of the random variables in the sequence $X_1, \cdots, X_n$. One can consider a similar model with stationary strategy. That means one can consider fixing a single threshold h for the game instead of having a sequence of thresholds.

Let's illustrate the stationary Moser problem in more details. Consider for each step $t = 1, \cdots, n$, a judge of the game will flip a coin. Let $\delta << 1$. With probability $1-\delta$, the judge would give a "green light" for the player to continuous the game. With probability δ the judge would end the game and the player receives zero reward. Let's fix a level h, the player would cash in if $X_i \geq h$, otherwise he/she would continue the game. Then, by the law of total expectation, the expected reward in each step is

$$S(\delta, h) = \frac{(1-\delta)\int_h^\infty xp(x)dx}{1-(1-\delta)F(h)}$$

To maximize the expectation in each step over the level h, it is necessary to take the derivative of $S(\delta, h)$ with respect to h and set it equals zero. Then the optimal level

h is

$$h_{opt} = \frac{(1-\delta)}{\delta} \int_{h_{opt}}^{\infty} (1-F(x))dx$$

and the maximum expectation is

$$S(\delta) = \frac{(1-\delta)\int_{h_{opt}}^{\infty} xp(x)dx}{1-(1-\delta)F(h_{opt})}.$$

This computation provides a straightforward formula for determining both the optimal threshold and the maximum expectation of the game, showcasing its inherent elegance.

CHAPTER 3: TECHNICAL TOOLS OF RIEMANNIAN GEOMETRY

On a compact Riemannian manifold, there is no global coordinate system. That means there is no one single coordinate system can cover the entire manifold. For example, consider a sphere, $\mathbb{S}^2$, in a three-dimensional Euclidean space. The cartesian coordinate system cannot cover the equator while the polar coordinate system cannot cover the north and south poles. In other words, singularities appear on every coordinate system on close surfaces. To over come this problem, multiple local coordinate systems may be used to cover the manifold. These covers with coordinate systems on top of them are called maps or charts. When more than one map are employed to cover the manifold, there will be some overlapping regions and the maps are required to be agreed on the same region that they cover.

3.1 Introduction to Riemannian geometry

Let $\mathcal{M}$ be a 2-dimensional compact Riemannian manifold and $\boldsymbol{\varphi}$ be a map (chart) from an open set $U \subset \mathbb{R}^2$ to $\mathcal{M}$. Consider a curve $\mathbf{r}(t) = (x_1(t), x_2(t)), t \in [a, b]$ on U and let $\boldsymbol{\gamma}(t) = \boldsymbol{\varphi}(x_1(t), x_2(t)), t \in [a, b]$ be a curve on $\mathcal{M}$. Then the magnitude of the velocity of a particle moving along the curve $\boldsymbol{\gamma}$ is

$$|\boldsymbol{V}(t)| = |\gamma'(t)| = \sqrt{(\boldsymbol{\varphi}' \cdot \boldsymbol{\varphi}')}(t) = \sqrt{(\boldsymbol{\varphi}_{x_1}x_1 + \boldsymbol{\varphi}_{x_2}x_2)) \cdot (\boldsymbol{\varphi}_{x_1}x_1 + \boldsymbol{\varphi}_{x_2}x_2))}(t)$$

$$= \sqrt{(\boldsymbol{\varphi}_{x_1} \cdot \boldsymbol{\varphi}_{x_1})(x_1')^2 + 2(\boldsymbol{\varphi}_{x_1} \cdot \boldsymbol{\varphi}_{x_2})x_1'x_2' + (\boldsymbol{\varphi}_{x_2} \cdot \boldsymbol{\varphi}_{x_2})(x_2')^2}(t)$$

Note that $|\boldsymbol{V}(t)| > 0$, the reason for this is to ensure the curve is smooth at all points. Now let $E(x_x, x_2) = \boldsymbol{\varphi}_{x_1} \cdot \boldsymbol{\varphi}_{x_1}, F(x_x, x_2) = \boldsymbol{\varphi}_{x_1} \cdot \boldsymbol{\varphi}_{x_2}, G(x_x, x_2) = \boldsymbol{\varphi}_{x_2} \cdot \boldsymbol{\varphi}_{x_2}$, we define the first quadratic form of $\mathcal{M}$ as

$$ds^2 = Edx_1^2 + 2Fdx_1dx_2 + Fdx_2^2$$

and the arc length of the curve $\boldsymbol{\gamma}$ is

$$L(\boldsymbol{\gamma(t_0)}) = \int_a^{t_0} |\boldsymbol{V}(t)|dt = \int_a^{t_0} \frac{ds}{dt}dt = \int_a^{t_0} \sqrt{E(x_1')^2 + 2F(x_1'x_2') + G(x_2')^2}(t)dt$$

To establish a measure for area on the surface of the compact Riemannian manifold $\mathcal{M}$, we first fix a point, $\boldsymbol{\varphi}(x_1, x_2)$, then take the derivative of $\boldsymbol{\varphi}$ with respect to x_1 and x_2 to obtain the bases for the tangent plane at the point $\boldsymbol{\varphi}(x_1, x_2)$, that is , $\boldsymbol{\varphi}_{x_1}dx_1$ and $\boldsymbol{\varphi}_{x_2}dx_2$. Then by the parallelogram law, the infinitesimal area on M can be written as

$$dA(x_1, x_2) = |(\boldsymbol{\varphi}_{x_1}dx_1) \times (\boldsymbol{\varphi}_{x_2}dx_2)| = |\boldsymbol{\varphi}_{x_1} \times \boldsymbol{\varphi}_{x_2}|dx_1dx_2 = \sqrt{|\boldsymbol{\varphi}_{x_1} \times \boldsymbol{\varphi}_{x_2}|^2}dx_1dx_2$$

$$= \sqrt{(\boldsymbol{\varphi}_{x_1} \times \boldsymbol{\varphi}_{x_2}) \cdot (\boldsymbol{\varphi}_{x_1} \times \boldsymbol{\varphi}_{x_2})}dx_1dx_2 = \sqrt{\det \begin{bmatrix} \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_1}} & \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_2}} \\ \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_2}} & \boldsymbol{\varphi_{x_2}} \cdot \boldsymbol{\varphi_{x_2}} \end{bmatrix}}(x_1, x_2)dx_1dx_2$$

So the surface area is

$$A = \int_U \sqrt{EG - F^2}dx_1dx_2.$$

From the above calculation, let us generalize the compact Riemannian manifold formally. Let $(\mathcal{M}, g)$ be a compact Riemannian manifold where g is a positive-definite inner product, i.e.

$$g = \begin{bmatrix} E(x_1, x_2) & F(x_1, x_2) \\ F(x_1, x_2) & G(x_1, x_2) \end{bmatrix} = \begin{bmatrix} \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_1}} & \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_2}} \\ \boldsymbol{\varphi_{x_1}} \cdot \boldsymbol{\varphi_{x_2}} & \boldsymbol{\varphi_{x_2}} \cdot \boldsymbol{\varphi_{x_2}} \end{bmatrix}$$

Let $\boldsymbol{\varphi}$ be a map from $U \subset \mathbb{R}^2$ to $\mathcal{M}$. Suppose the curve $\boldsymbol{\gamma}(t) \subset \mathcal{M}, t \in [a, b]$ and $|\boldsymbol{V}(t)| > 0$. Then the local coordinate $\boldsymbol{x} = (x_1, x_2)$, the Riemannian manifold is equipped with

(i) **The first quadratic form**:

$$ds^2 = g_{ij}(x^i, x^j)dx^i dx^j$$

(ii) **Arc Length**:

$$L(t) = \int_a^t \sqrt{g_{ij}(x^i, x^j)dx^i dx^j}\, du$$

by minimizing the arc length function, we obtain the geodesic on the Riemannian manifold.

(iii) **Area (Measure)**:

$$A = \int\int_U \sqrt{EG - F^2}dx_1 dx_2 \quad \text{and} \quad \mu(d\boldsymbol{x}) = \sqrt{\det g}\; d\boldsymbol{x}$$

(iv) **Laplace-Beltrami Operator**:

$$\Delta f = \lim_{\delta \to 0} \frac{\int_{U_\delta(\boldsymbol{x})} f(u)\mu(du) - f(\boldsymbol{x})}{\delta^2} = \frac{1}{\sqrt{\det g}} \frac{\partial}{\partial x^i} \left(\sqrt{\det g}(g^{ij}) \frac{\partial}{\partial x^j} \right)$$

Now let us look at some examples.

3.2 Riemannian metric and Laplacian on a sphere

Consider $\mathcal{M} \subset \mathbb{R}^3$ which is a sphere $S^2 = \{(x, y, z) : x^2 + y^2 + z^2 = 1\}$. The parametric equations are

$$\begin{cases} x(\theta, \phi) = \sin\theta\cos\phi \\ y(\theta, \phi) = \sin\theta\sin\phi \\ z(\theta, \phi) = \cos\theta \end{cases}$$

where $\theta \in [0, \pi]$, $\phi \in [0, 2\pi)$.

Let $\boldsymbol{\gamma}(t) = \boldsymbol{\varphi}(\theta(t), \phi(t)) = (\sin\theta(t)\cos\phi(t), \sin\theta(t)\sin\phi(t), \cos\theta(t))$. Then

$$\boldsymbol{\varphi}_\theta = (\cos\theta\cos\phi, \cos\theta\sin\phi, -\sin\theta)$$

$$\boldsymbol{\varphi}_\phi = (-\sin\theta\sin\phi, \sin\theta\cos\phi, 0)$$

and

$$E(\theta, \phi) = \boldsymbol{\varphi}_\theta \cdot \boldsymbol{\varphi}_\theta = 1$$

$$F(\theta, \phi) = \boldsymbol{\varphi}_\theta \cdot \boldsymbol{\varphi}_\phi = 0$$

$$G(\theta, \phi) = \boldsymbol{\varphi}_\phi \cdot \boldsymbol{\varphi}_\phi = sin^2\theta$$

then

$$g = \begin{bmatrix} 1 & 0 \\ 0 & \sin^2\theta \end{bmatrix} \quad \text{and} \quad g^{-1} = \begin{bmatrix} 1 & 0 \\ 0 & \frac{1}{\sin^2\theta} \end{bmatrix}$$

which implies that the first quadratic form is

$$ds^2 = d\theta^2 + \sin^2\theta d\phi^2$$

and the arc length is

$$L(t) = \int_0^t \sqrt{(\frac{d\theta}{du})^2 + sin^2\theta(\frac{d\phi}{du})^2}du$$

especially on the meredian, i.e. $d\phi^2 = 0$, the arc length becomes

$$L(t) = \int_0^{\theta_0} d\theta = \theta_0$$

and the area measure is

$$\mu(d(\theta,\phi)) = \sin\theta d\theta d\phi$$

$$A = \int_0^{\phi_0}\int_0^{\theta_0} \sin\theta d\theta d\phi = \phi_0(1-\cos\theta_0)$$

and the laplacian on a sphere is

$$\Delta = \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^1}\left(\sqrt{\det g}(g^{11})\frac{\partial}{\partial x^1}\right) + \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^1}\left(\sqrt{\det g}(g^{12})\frac{\partial}{\partial x^2}\right)$$

$$+\frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^2}\left(\sqrt{\det g}(g^{21})\frac{\partial}{\partial x^1}\right) + \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^2}\left(\sqrt{\det g}(g^{22})\frac{\partial}{\partial x^2}\right)$$

$$= \frac{1}{\sin\theta}\left[\frac{\partial}{\partial\theta}\left(sin\theta\frac{\partial}{\partial\theta}\right) + \frac{\partial}{\partial\phi}\left(\frac{1}{\sin\theta}\frac{\partial}{\partial\phi}\right)\right]$$

$$= \frac{1}{\sin\theta}\frac{\partial}{\partial\theta}\left(\sin\theta\frac{\partial}{\partial\theta}\right) + \frac{1}{\sin^2\theta}\frac{\partial^2}{\partial\phi^2}.$$

3.3 Riemannian metric and Laplacian on a torus

Consider $\mathcal{M} \subset \mathbb{R}^3$ which is a torus $T^2 = S^1 \times S^1$. The parametric equations are

$$\begin{cases} x(\theta,\phi) = (R + r\cos\theta)\cos\phi \\ y(\theta,\phi) = (R + r\cos\theta)\sin\phi \\ z(\theta,\phi) = r\sin\theta \end{cases}$$

where $\theta, \phi \in [0, 2\pi)$ and R is the distance from the middle of the torus to the middle of the tube and r is the radius of circle of the tube.

Let $\boldsymbol{\gamma}(t) = \boldsymbol{\varphi}(\theta(t), \phi(t)) = ((R+r\cos\theta(t))\cos\phi(t), (R+r\cos\theta(t))\sin\phi(t), rsin\theta(t))$. Then

$$\boldsymbol{\varphi}_\theta = (-r\cos\phi\sin\theta, -r\sin\phi\sin\theta, r\cos\theta)$$

$$\boldsymbol{\varphi}_\phi = (-(R + r\cos\theta)\sin\phi, (R + r\cos\theta)\cos\phi, 0)$$

and

$$E(\theta,\phi) = \boldsymbol{\varphi}_\theta \cdot \boldsymbol{\varphi}_\theta = r^2$$

$$F(\theta, \phi) = \boldsymbol{\varphi}_\theta \cdot \boldsymbol{\varphi}_\phi = 0$$

$$G(\theta, \phi) = \boldsymbol{\varphi}_\phi \cdot \boldsymbol{\varphi}_\phi = (R + r\cos\theta)^2$$

then

$$g = \begin{bmatrix} r^2 & 0 \\ 0 & (R + r\cos\theta)^2 \end{bmatrix} \quad \text{and} \quad g^{-1} = \begin{bmatrix} \frac{1}{r^2} & 0 \\ 0 & \frac{1}{(R+r\cos\theta)^2} \end{bmatrix}$$

which implies that the first quadratic form is

$$ds^2 = r^2 d\theta^2 + (R + r\cos\theta)^2 d\phi^2$$

and the arc length is

$$L(t) = \int_0^t \sqrt{r^2(\frac{d\theta}{du})^2 + (R + r\cos\theta)^2(\frac{d\phi}{du})^2} du$$

especially on the meredian, i.e. $d\phi^2 = 0$, the arc length becomes

$$L(t) = \int_0^{\theta_0} r d\theta = r\theta_0$$

and the area measure is

$$\mu(d(\theta, \phi)) = \sqrt{r^2(R + r\cos\theta)^2} d\theta d\phi$$

$$A = \int_0^{\phi_0} \int_0^{\theta_0} (rR + r^2\cos\theta) d\theta d\phi = rR\theta_0\phi_0 + r^2\phi_0 \sin\theta_0$$

and the laplacian on a torus is

$$\Delta = \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^1}\left(\sqrt{\det g}(g^{11})\frac{\partial}{\partial x^1}\right) + \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^1}\left(\sqrt{\det g}(g^{12})\frac{\partial}{\partial x^2}\right)$$

$$+\frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^2}\left(\sqrt{\det g}(g^{21})\frac{\partial}{\partial x^1}\right) + \frac{1}{\sqrt{\det g}}\frac{\partial}{\partial x^2}\left(\sqrt{\det g}(g^{22})\frac{\partial}{\partial x^2}\right)$$

$$= \frac{1}{r(R+\cos\theta)}\left[\frac{\partial}{\partial\theta}\left(\frac{1}{r^3(R+\cos\theta)}\frac{\partial}{\partial\theta}\right) + \frac{\partial}{\partial\phi}\left(\frac{1}{r(R+\cos\theta)^3}\frac{\partial}{\partial\phi}\right)\right]$$

$$= \frac{1}{r(R+\cos\theta)}\frac{\partial}{\partial\theta}\left(\frac{1}{r^3(R+\cos\theta)}\frac{\partial}{\partial\theta}\right) + \frac{1}{r(R+\cos\theta)^4}\frac{\partial^2}{\partial\phi^2}.$$

CHAPTER 4: PROBABILITY DISTRIBUTION AND CRITICAL POINTS ON COMPACT RIEMANNIAN MANIFOLDS

4.1 Single maximum point on the surface of a sphere

Now we'll formulate a different version of the Moser-type problem. Let $\mathcal{M}$ be a compact Riemannian manifold with the metric $ds^2 = g_{ij}(x)dx^i dx^j$ defined on the system of maps $X : \mathbb{R}^2 \to \mathcal{M}$ covering $\mathcal{M}$ and $d\sigma = \sqrt{\det g_{ij}(x)}dx$ be the differential of the Lebesgue measure on $\mathcal{M}$. One can select the metric tensor $g_{ij}(x)$ in such a way that $\int\limits_{\mathcal{M}} d\sigma = \int\limits_{\mathcal{M}} \sqrt{\det g(x)}dx = 1$.

Let $X_1, \cdots, X_n$ be the points on the compact Riemannian manifold $\mathcal{M}$ with uniform distribution measure $d\sigma$ and $\mathcal{G}(X) : \mathcal{M} \to \mathbb{R}$ be the function of C^2 class on $\mathcal{M}$ such that

$$Y_1 = \mathcal{G}(X_1), \cdots, Y_n = \mathcal{G}(X_n)$$

are the scalar i.i.d. random variables. Our goal is to find $S_n = \max\limits_{\tau \le n} E[\mathcal{G}(X_\tau)] = \max\limits_{\tau \le n} E[Y_\tau]$. To do this, one needs to find the distribution function of Y_i with $P\{Y_i \ge y\} = m(\{X_i \in \mathcal{M} : \mathcal{G}(X_i) \ge y\}), i = 1, \cdots, n$. For large n the asymptotics of S_n depends on the structure of top extrema of $\mathcal{G}(\cdot)$. Literatures relate to this can be found in [8], [9].

If $Y_1, \cdots, Y_n$ are iid random variables uniformly distributed on [0,1], the problem reduces back to the classical Moser Problem. Otherwise, we need to consider the structure near the critical point of the reward function $\mathcal{G}$ on the compact Riemannian manifold.

Without loss of generality, suppose there exists only one global non-degenerated maximum point X_* on the entire manifold $\mathcal{M}$ and $\mathcal{G}(X) \in C^2(\mathcal{M})$ such that $\mathcal{G}(X_*) =$

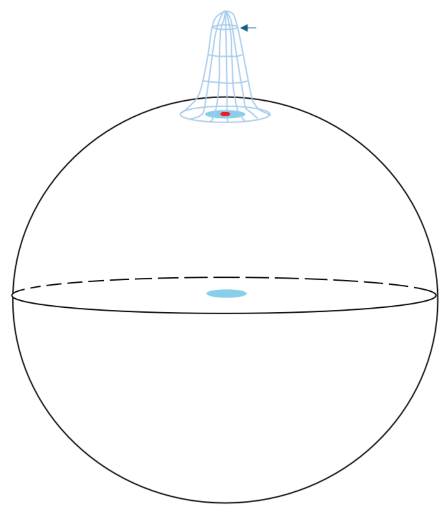

Figure 4.1: This figure illustrates a single maximum point (red point) of $\mathcal{G}$, X_*, on the surface of a sphere. The arrow indicates the threshold level and the blue regions is a set projection of the threshold level on the manifold and xy-plane.

1, that is $\mathcal{G}(X) < 1, \ \forall X \neq X_*$. Then there exists an appropriate coordinate system near X_*, then

$$\mathcal{G}(X) = 1 - \frac{1}{2}\sum_{i=1}^{d} \lambda_i (X^i - X_*^i)^2 + o((X - X_*)^2),$$

$$d = \dim \mathcal{M}, \quad \lambda_i = \frac{\partial^2 \mathcal{G}}{\partial X^{i^2}}(X_*) < 0.$$

See details in [10].

For illustration purpose, let $\epsilon > 0$ and the threshold level to be $h_n = 1 - \epsilon$. When h_n is extremely close to the maximum value 1, then ϵ is extremely small. Since the area of the projected set of the threshold level of $\mathcal{G}$ onto the manifold is very close to the one onto xy-plane, we can regard the tail probability, $P\{Y > y\}$, as the measure of the projection of the function $\mathcal{G}$ onto the xy-plane instead of the manifold. See figure 4.1. Then one can calculate the tail probability distribution of Y as follow.

$$
\begin{aligned}
P\{Y > y\} &= m\{X : \mathcal{G}(X) > y\} \\
&\approx m\left\{X : \sum_{i=1}^{d} |\lambda_i|(X^i - X_*^i)^2 < 2(1-y)\right\} \\
&= m\left\{X : \sum_{i=1}^{d} \frac{(X^i - X_*^i)^2}{\frac{2(1-y)}{|\lambda_i|}} < 1\right\} \\
&= \frac{2\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})} \prod_{i=1}^{d} \frac{\sqrt{2}(1-y)^{\frac{d}{2}}}{\sqrt{\lambda_i}} \\
&= \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-y)^{\frac{d}{2}}.
\end{aligned}
$$

We used here the formula for the volume of d-dimensional ellipsoid.

Then the corresponding probability density is

$$
f(y) = \frac{d}{dy} P\{Y < y\} = -\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-y)^{\frac{d}{2}-1}.
$$

In general, the asymptotic depends on the classification of the critical points on the Riemannian manifolds or on $\mathbb{R}^d$ due to locality problems.

Now let $X_1, \cdots, X_n$ be a sequence of random points on $\mathcal{M}$. Let the height of the maximum point to be $\mathcal{G}(X_*) = 1$ and fix a threshold. If $X_i \geq h_i$, one would stop, otherwise he would continuous the game if $X_i < h_i$. Then the maximum expectation in each step is

$$
\begin{aligned}
S_n &= \max_{h_n}\Bigg(E[Y_n|Y_n \geq h_n]P\{Y_n \geq h_n\} + E[Y_n|Y_n < h_n]P\{Y_n < h_n\}\Bigg) \\
&= \max_{h_n}\left(\int_{h_n}^{1} yf(y)dy + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\right) \\
&= \max_{h_n}\left(-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\int_{h_n}^{1} y(1-y)^{\frac{d}{2}-1}dy + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\right) \\
&= \max_{h_n}\Bigg(-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\int_{h_n}^{1}[1-(1-y)](1-y)^{\frac{d}{2}-1}dy \\
&\qquad\qquad + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\Bigg) \\
&= \max_{h_n}\Bigg(-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\left(\int_{h_n}^{1}(1-y)^{\frac{d}{2}-1}dy - \int_{h_n}^{1}(1-h_n)^{\frac{d}{2}}dy\right) \\
&\qquad\qquad + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\Bigg) \\
&= \max_{h_n}\Bigg(-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\left[-\frac{(1-y)^{d/2}}{\frac{d}{2}} + \frac{(1-y)^{\frac{d}{2}+1}}{\frac{d}{2}+1}\right]_{h_n}^{1} \\
&\qquad\qquad + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\Bigg) \\
&= \max_{h_n}\Bigg(-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\left[\frac{(1-h_n)^{d/2}}{\frac{d}{2}} - \frac{(1-h_n)^{\frac{d}{2}+1}}{\frac{d}{2}+1}\right] \\
&\qquad\qquad + S_{n-1}(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}})\Bigg).
\end{aligned}
$$

Take the derivative and set zero implies

$$
-\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}(1-h_n)^{\frac{d}{2}-1}\left[-1 + (1-h_n) - S_{n-1}\right] = 0
$$

implies

$$
h_n = S_{n-1}.
$$

This gives

$$S_n = -\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}} \left[\frac{(1-S_{n-1})^{d/2}}{\frac{d}{2}} - \frac{(1-S_{n-1})^{\frac{d}{2}+1}}{\frac{d}{2}+1} \right] + S_{n-1}\left(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-S_{n-1})^{\frac{d}{2}}\right)$$

Now rewrite the recursive relation as a function

$$\begin{aligned} g(x) &= -\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}} \left[\frac{(1-x)^{d/2}}{\frac{d}{2}} - \frac{(1-x)^{\frac{d}{2}+1}}{\frac{d}{2}+1} \right] + x\left(1 - \frac{2^{(\frac{d}{2}+1)}\pi^{\frac{d}{2}}}{d\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-x)^{\frac{d}{2}}\right) \\ &= -\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-x)^{d/2}\left[\frac{2}{d} - \frac{(1-x)}{\frac{d}{2}+1} - \frac{2}{d}x\right] + x \end{aligned}$$

by fixed point theorem, set $g(x) = x$ gives

$$(1-x)^{d/2}\left[\frac{2}{d} - \frac{(1-x)}{\frac{d}{2}+1} - \frac{2}{d}x\right] = 0$$

by solving this equation, the solution is $x = 1$. Since $g'(1) \leq 1$, g is contractive and $g(S_n) \to 1$ as $n \to \infty$. Let

$$h_n = 1 - g(S_n)$$

implies

$$1-h_n = -\frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}(1-(1-h_{n-1}))^{d/2}\left[\frac{2}{d} - \frac{(1-(1-h_{n-1}))}{\frac{d}{2}+1} - \frac{2}{d}(1-h_{n-1})\right] + (1-h_{n-1})$$

implies

$$\begin{aligned} h_n &= \frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}h_{n-1}^{d/2}\left[\frac{2}{d} - \frac{h_{n-1}}{\frac{d}{2}+1} - \frac{2}{d}(1-h_{n-1})\right] + h_{n-1} \\ &= \frac{(2\pi)^{\frac{d}{2}}}{\Gamma(\frac{d}{2})\sqrt{\lambda_1 \cdots \lambda_d}}\left[\frac{2}{d(\frac{d}{2}+1)}\right]h_{n-1}^{\frac{d}{2}+1} + h_{n-1} \end{aligned}$$

Now let $k = \frac{d}{2}+1$ and $a = -\frac{2^{\frac{d}{2}+1}\pi^{\frac{d}{2}}}{d(\frac{d}{2}+1)\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}$. Then by the Pólya and Szëgo theorem,

$$n^{\frac{2}{d}}h_n \to \left[-\frac{2^{\frac{d}{2}+1}\pi^{\frac{d}{2}}}{d(\frac{d}{2}+1)\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\frac{d}{2}\right]^{-\frac{2}{d}}$$

That is,

$$h_n \to \left[-\frac{(2\pi)^{\frac{d}{2}}n}{(\frac{d}{2}+1)\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\right]^{-\frac{2}{d}}$$

Therefore,

$$S_n \to 1-\left[-\frac{(2\pi)^{\frac{d}{2}}n}{(\frac{d}{2}+1)\Gamma(\frac{d}{2})\sqrt{\lambda_1\cdots\lambda_d}}\right]^{-\frac{2}{d}}$$

as $n\to\infty$.

One can also expand the function $\mathcal{G}(X)$ to a more general form. Let $\mathcal{G}(X) = 1-\sum\limits_{i=1}^{d}\lambda_i X_i^{2p_i}$ be a smooth function with a non-degenerate critical point where $p_i \in \mathbb{N}$. Let's apply change of variable $X_i = \frac{(1-y)^{\frac{1}{2p_i}}}{\lambda_i^{\frac{1}{2p_i}}}t_i$ and $dX_i = \frac{(1-y)^{\frac{1}{2p_i}}}{\lambda_i^{\frac{1}{2p_i}}}dt_i$, then the probability distribution of Y is

$$\begin{aligned}
P\{Y>y\} &= m\{X:\mathcal{G}(X)>y\}\\
&= m\left\{X: 1-\sum_{i=1}^{d}\lambda_i X_i^{2p_i} > y\right\}\\
&= m\left\{X: \sum_{i=1}^{d}\lambda_i X_i^{2p_i} < 1-y\right\}\\
&= m\left\{X: \sum_{i=1}^{d}\left(\frac{\lambda_i^{\frac{1}{2p_i}}X_i}{(1-y)^{\frac{1}{2p_i}}}\right)^{2p_i} < 1\right\}\\
&= 2^d m\left\{X: \sum_{i=1}^{d}\left(\frac{|\lambda_i|^{\frac{1}{2p_i}}|X_i|}{(1-y)^{\frac{1}{2p_i}}}\right)^{2p_i} < 1\right\}
\end{aligned}$$

$$
\begin{aligned}
&= 2^d \int \cdots \int_{\mathbb{R}^d} \mathbf{1}\left\{ X : \sum_{i=1}^{d} \left(\frac{|\lambda_i|^{\frac{1}{2p_i}} |X_i|}{(1-y)^{\frac{1}{2p_i}}} \right)^{2p_i} < 1 \right\} dx_1 \cdots dx_d \\
&= 2^d \int \cdots \int_{\mathbb{R}^d} \mathbf{1}\left\{ t : \sum_{i=1}^{d} |t_i|^{2p_i} < 1 \right\} \frac{(1-y)^{\frac{1}{2p_1}}}{\lambda_1^{\frac{1}{2p_1}}} \cdots \frac{(1-y)^{\frac{1}{2p_d}}}{\lambda_d^{\frac{1}{2p_d}}} dt_1 \cdots dt_d \\
&= \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} \left(\frac{1-y}{\lambda_i} \right)^{\frac{1}{2p_i}}.
\end{aligned}
$$

Due to the symmetry of the shape, the constant 2^d appeared in the middle of calculation helps simplify the calculation by focusing on the first octant. Also it worths to note that the above integral is the so-called **Dirichlet integral**. See [11].

Then the probability density is

$$
\begin{aligned}
f(y) &= \frac{d}{dy} P\{Y < y\} \\
&= \frac{d}{dy} \left(1 - \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} \left(\frac{1-y}{\lambda_i} \right)^{\frac{1}{2p_i}} \right) \\
&= -\frac{2^d}{\Gamma(d+1)} \frac{d}{dy} \exp\left(\sum_{i=1}^{d} \frac{1}{2p_i} log(\frac{1-y}{\lambda_i}) \right) \\
&= -\frac{2^d}{\Gamma(d+1)} \left(\sum_{i=1}^{d} \frac{1}{2p_i} \frac{d}{dy} log(\frac{1-y}{\lambda_i}) \right) \exp\left(\sum_{i=1}^{d} \frac{1}{2p_i} log(\frac{1-y}{\lambda_i}) \right) \\
&= -\frac{2^d}{\Gamma(d+1)} \frac{1}{y-1} \left(\sum_{i=1}^{d} \frac{1}{2p_i} \right) \exp\left(\sum_{i=1}^{d} \frac{1}{2p_i} log(\frac{1-y}{\lambda_i}) \right) \\
&= \frac{2^d}{(1-y)\Gamma(d+1)} \left(\sum_{i=1}^{d} \frac{1}{2p_i} \right) \prod_{i=1}^{d} \left(\frac{1-y}{\lambda_i} \right)^{\frac{1}{2p_i}}.
\end{aligned}
$$

Now let $X_1, \cdots, X_n$ be a sequence of random variables on $\mathcal{M}$. Let the height of the maximum point to be $\mathcal{G}(X_*) = 1$ and fix a threshold. If $X_i \geq h_i$, one would stop, otherwise he would continuous the game if $X_i < h_i$. Then the maximum expectation in each step is

$$
\begin{aligned}
S_n &= \max_{h_n}\Bigg(E[Y_n|Y_n \geq h_n]P\{Y_n \geq h_n\} + E[Y_n|Y_n < h_n]P\{Y_n < h_n\}\Bigg)\\
&= \max_{h_n}\left(\int_{h_n}^{1} yf(y)dy + S_{n-1}(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-h_n}{\lambda_i}\right)^{\frac{1}{2p_i}})\right)\\
&= \max_{h_n}\left(\int_{h_n}^{1} \frac{2^d(\sum\limits_{i=1}^{d}\frac{1}{2p_i})y}{(1-y)\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-y}{\lambda_i}\right)^{\frac{1}{2p_i}} dy + S_{n-1}(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-h_n}{\lambda_i}\right)^{\frac{1}{2p_i}})\right)\\
&= \max_{h_n}\Bigg(\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{\left[\frac{(1-y)^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right]_{h_n}^{1} - \left[\frac{(1-y)^{\sum_{i=1}^{d}\frac{1}{2p_i}}}{\sum_{i=1}^{d}\frac{1}{2p_i}}\right]_{h_n}^{1}\right\}\\
&\qquad\qquad + S_{n-1}(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-h_n}{\lambda_i}\right)^{\frac{1}{2p_i}})\Bigg)\\
&= \max_{h_n}\Bigg(\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{\frac{(1-h_n)^{\sum_{i=1}^{d}\frac{1}{2p_i}}}{\sum_{i=1}^{d}\frac{1}{2p_i}} - \frac{(1-h_n)^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}\\
&\qquad\qquad + S_{n-1}(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-h_n}{\lambda_i}\right)^{\frac{1}{2p_i}})\Bigg).
\end{aligned}
\tag{4.1}
$$

Now take the derivative and set zero, that is

$$
\begin{aligned}
&\frac{2^d}{\Gamma(d+1)}\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{-(1-h_n)^{\sum_{i=1}^{d}\frac{1}{2p_i}-1} + (1-h_n)^{\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}\\
&\qquad + S_{n-1}\frac{2^d}{\Gamma(d+1)}\left(\sum_{i=1}^{d}\frac{1}{2p_i(1-h_n)}\right)\exp\left(\sum_{i=1}^{d}\frac{1}{2p_i}log(\frac{1-h_n}{\lambda_i})\right) = 0
\end{aligned}
$$

$$
-h_n(1-h_n)^{\sum_{i=1}^{d}\frac{1}{2p_i}-1}\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}} + \frac{S_{n-1}}{1-h_n}\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\prod_{i=1}^{d}(\frac{1-h_n}{\lambda_i})^{\frac{1}{2p_i}} = 0
$$

Solve the above equation, we have

$$
h_n = S_{n-1}
$$

Substitute this back to (4.1),

$$S_n = \left(\sum_{i=1}^{d} \frac{1}{2p_i}\right) \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} (\frac{1}{\lambda_i})^{\frac{1}{2p_i}} \left\{ \frac{(1-S_{n-1})^{\sum_{i=1}^{d} \frac{1}{2p_i}}}{\sum_{i=1}^{d} \frac{1}{2p_i}} - \frac{(1-S_{n-1})^{1+\sum_{i=1}^{d} \frac{1}{2p_i}}}{1+\sum_{i=1}^{d} \frac{1}{2p_i}} \right\} + S_{n-1}\left(1 - \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} \left(\frac{1-S_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}}\right)$$

Now rewrite the recursive relation as a function

$$g(x) = \left(\sum_{i=1}^{d} \frac{1}{2p_i}\right) \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} (\frac{1}{\lambda_i})^{\frac{1}{2p_i}} \left\{ \frac{(1-x)^{\sum_{i=1}^{d} \frac{1}{2p_i}}}{\sum_{i=1}^{d} \frac{1}{2p_i}} - \frac{(1-x)^{1+\sum_{i=1}^{d} \frac{1}{2p_i}}}{1+\sum_{i=1}^{d} \frac{1}{2p_i}} \right\} + x\left(1 - \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} \left(\frac{1-x}{\lambda_i}\right)^{\frac{1}{2p_i}}\right)$$

by the fixed point theorem, $g(x) = x$ gives

$$x = \left(\sum_{i=1}^{d} \frac{1}{2p_i}\right) \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} (\frac{1}{\lambda_i})^{\frac{1}{2p_i}} \left\{ \frac{(1-x)^{\sum_{i=1}^{d} \frac{1}{2p_i}}}{\sum_{i=1}^{d} \frac{1}{2p_i}} - \frac{(1-x)^{1+\sum_{i=1}^{d} \frac{1}{2p_i}}}{1+\sum_{i=1}^{d} \frac{1}{2p_i}} \right\} + x\left(1 - \frac{2^d}{\Gamma(d+1)} \prod_{i=1}^{d} \left(\frac{1-x}{\lambda_i}\right)^{\frac{1}{2p_i}}\right)$$

Solving this equation, we obtain

$$x = 1$$

Since $g'(1) \leq 1$, g is contractive and $g(S_n) \to 1$ as $n \to \infty$. Let

$$h_n = 1 - g(S_n)$$

implies

$$1-h_n = \left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{\frac{(1-(1-h_{n-1}))^{\sum_{i=1}^{d}\frac{1}{2p_i}}}{\sum_{i=1}^{d}\frac{1}{2p_i}} - \frac{(1-(1-h_{n-1}))^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}$$
$$+(1-h_{n-1})\left(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{1-(1-h_{n-1})}{\lambda_i}\right)^{\frac{1}{2p_i}}\right)$$

$$1-h_n = \left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{\frac{h_{n-1}^{\sum_{i=1}^{d}\frac{1}{2p_i}}}{\sum_{i=1}^{d}\frac{1}{2p_i}} - \frac{h_{n-1}^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}$$
$$+(1-h_{n-1})\left(1-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}}\right)$$

$$h_{n-1}-h_n+\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}} - \frac{2^d}{\Gamma(d+1)}h_{n-1}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}} =$$
$$\frac{2^d}{\Gamma(d+1)}\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left\{\frac{h_{n-1}^{\sum_{i=1}^{d}\frac{1}{2p_i}}}{\sum_{i=1}^{d}\frac{1}{2p_i}} - \frac{h_{n-1}^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}$$

$$h_n = h_{n-1}+\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}} - \frac{2^d}{\Gamma(d+1)}h_{n-1}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}}$$
$$-\frac{2^d}{\Gamma(d+1)}\left(\sum_{i=1}^{d}\frac{1}{2p_i}\right)\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left(h_{n-1}^{\sum_{i=1}^{d}\frac{1}{2p_i}}\right)\left\{\frac{1}{\sum_{i=1}^{d}\frac{1}{2p_i}} - \frac{h_{n-1}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right\}$$

$$h_n = h_{n-1}+\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}} - \frac{2^d}{\Gamma(d+1)}h_{n-1}\prod_{i=1}^{d}\left(\frac{h_{n-1}}{\lambda_i}\right)^{\frac{1}{2p_i}}$$
$$-\frac{2^d}{\Gamma(d+1)}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left(h_{n-1}^{\sum_{i=1}^{d}\frac{1}{2p_i}}\right)+\frac{2^d}{\Gamma(d+1)}\frac{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left(h_{n-1}^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right)$$

$$h_n = h_{n-1} + \frac{2^d}{\Gamma(d+1)}\left(\frac{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}} - 1\right)\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\left(h_{n-1}^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\right)$$

$$h_n = h_{n-1} - \left(\frac{2^d}{\Gamma(d+1)(1+\sum_{i=1}^{d}\frac{1}{2p_i})}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\right)h_{n-1}^{1+\sum_{i=1}^{d}\frac{1}{2p_i}}$$

Now let $k = 1+\sum\limits_{i=1}^{d}\frac{1}{2p_i}$ and $a = \frac{2^d}{\Gamma(d+1)(1+\sum_{i=1}^{d}\frac{1}{2p_i})}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}$. Then by the Pólya and Szëgo theorem,

$$n^{\frac{1}{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}}h_n \to \left[\frac{2^d}{\Gamma(d+1)}\frac{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\right]^{-\frac{1}{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}}$$

That is,

$$h_n \to \left[\frac{2^d n}{\Gamma(d+1)}\frac{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\right]^{-\frac{1}{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}}$$

Therefore,

$$S_n \to 1 - \left[\frac{2^d n}{\Gamma(d+1)}\frac{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}{1+\sum_{i=1}^{d}\frac{1}{2p_i}}\prod_{i=1}^{d}(\frac{1}{\lambda_i})^{\frac{1}{2p_i}}\right]^{-\frac{1}{\sum\limits_{i=1}^{d}\frac{1}{2p_i}}}$$

as $n \to \infty$. Note that if $p_i = 1, \forall i$, then the above formula reduces to the previous example.

4.2 Maximum along a parallel on the surface of a sphere

Suppose the maximum of a smooth function $\mathcal{G}$ is not just sitting at one point of a sphere but along a parallel, i.e. $\theta = \theta_*$, of a sphere. One can choose the Euler angles coordinate system, (θ, φ), such that the smooth function $\mathcal{G} : \mathcal{M} \to \mathbb{R}$ near the maximum along the parallel can be defined as

$$\mathcal{G}(\theta, \varphi) \sim 1 - \frac{K(\varphi)}{2}(\theta - \theta_*)^2$$

where $K(\varphi)$ is the second derivative of $\mathcal{G}$ at the maximum points on the parallel, $\theta \in [0, \pi]$ is the angle along the remedian and $\varphi \in [0, 2\pi)$ is the angle along the parallel. $K(\varphi)$ is also a quantity describing the curvature of the maximum in the direction orthogonal to the parallel. Without loss of generality, let $\mathcal{G}(\theta_*, \varphi) = 1$ to be the maximum, with maximum value $\mathcal{G}(\theta_*, \varphi) = 1\ \forall \varphi \in [0, 2\pi)$, along the parallel $\theta = \theta_*$ for all $\varphi \in [0, 2\pi)$. Let

$$Y_1 = \mathcal{G}(\theta_1, \varphi_1), \cdots, Y_n = \mathcal{G}(\theta_n, \varphi_n)$$

be iid random variables on the manifold $\mathcal{M}$.

Let's calculate the probability distribution of Y. Let path $\gamma = \{(\theta, \varphi) : \theta = \theta_*\}$ to be the parallel. Then

$$\begin{aligned}
P\{Y > y\} &= m\left\{(\theta, \varphi) : \mathcal{G}(\theta, \varphi) > y\right\} \\
&= m\left\{(\theta, \varphi) : 1 - \frac{K(\varphi)}{2}(\theta - \theta_*)^2 > y\right\} \\
&= m\left\{(\theta, \varphi) : \frac{K(\varphi)}{2(1-y)}(\theta - \theta_*)^2 < 1\right\} \\
&= 2\sqrt{2(1-y)} \int_0^{2\pi} K(\varphi)^{-1} d\varphi
\end{aligned}$$

and the probability density of Y is

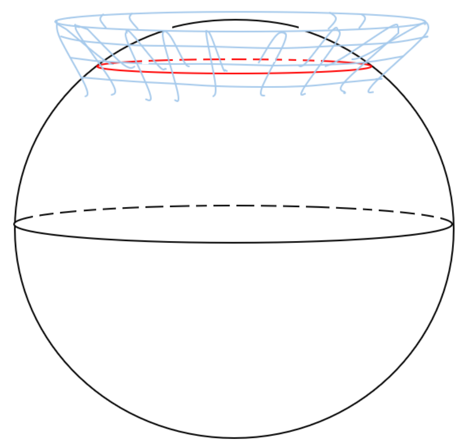

Figure 4.2: This figure illustrates the maxima along the parallel (red curve), $\theta = \theta_*$, form a volcano shape on the surface of a sphere. The projection of the threshold level of this volcano shape will form a band wrap around the red curve on the surface of the sphere.

$$
\begin{aligned}
f(y) &= \frac{d}{dy}\left(1 - 2\sqrt{2(1-y)}\int_0^{2\pi} K(\varphi)^{-1} d\varphi\right) \\
&= \sqrt{\frac{2}{1-y}}\int_0^{2\pi} K(\varphi)^{-1} d\varphi
\end{aligned}
$$

The maximum probability can be calculated as

$$
\begin{aligned}
S_n &= \max_{h_n}\left(E[Y_n|Y_n \geq h_n]P\{Y_n \geq h_n\} + E[Y_n|Y_n < h_n]P\{Y_n < h_n\}\right) \\
&= \max_{h_n}\left(\int_{h_n}^1 y f(y) dy + S_{n-1}\left(1 - 2\sqrt{2(1-h_n)}\int_0^{2\pi} K(\varphi)^{-1} d\varphi\right)\right) \\
&= \max_{h_n}\left(\int_{h_n}^1 y\sqrt{\frac{2}{1-y}}\int_0^{2\pi} K(\varphi)^{-1} d\varphi dy + S_{n-1}\left(1 - 2\sqrt{2(1-h_n)}\int_0^{2\pi} K(\varphi)^{-1} d\varphi\right)\right) \\
&= \max_{h_n}\left(\frac{\sqrt{2}\sqrt{1-h_n}(2h_n+4)}{3}\int_0^{2\pi} K(\varphi)^{-1} d\varphi + S_{n-1}\left(1 - 2\sqrt{2(1-h_n)}\int_0^{2\pi} K(\varphi)^{-1} d\varphi\right)\right)
\end{aligned}
\tag{4.2}
$$

Now take the derivative of above equation with respect to h_n and set zero, that is

$$\frac{\sqrt{2}}{3}\int_0^{2\pi} K(\varphi)^{-1}d\varphi\left(2\sqrt{1-h_n}-\frac{1}{2}(1-h_n)^{-\frac{1}{2}}(2h_n+4)\right)$$
$$-2\sqrt{2}S_{n-1}(-\frac{1}{2}(1-h_n)^{-\frac{1}{2}})\int_0^{2\pi} K(\varphi)^{-1}d\varphi = 0$$

implies

$$\sqrt{2}(1-h_n)^{-\frac{1}{2}}\int_0^{2\pi} K(\varphi)^{-1}d\varphi\left[\frac{2}{3}(1-h_n)-\frac{1}{3}(h_n+2)+S_{n-1}\right]=0$$

implies

$$h_n = S_{n-1}$$

Substitute back to (4.2),

$$S_n = \frac{\sqrt{2}\sqrt{1-S_{n-1}}(2S_{n-1}+4)}{3}\int_0^{2\pi} K(\varphi)^{-1}d\varphi + S_{n-1}\left(1-2\sqrt{2(1-S_{n-1})}\int_0^{2\pi} K(\varphi)^{-1}d\varphi\right)$$

Now rewrite the recursive relation as a function

$$g(x) = \frac{\sqrt{2}\sqrt{1-x}(2x+4)}{3}\int_0^{2\pi} K(\varphi)^{-1}d\varphi + x\left(1-2\sqrt{2(1-x)}\int_0^{2\pi} K(\varphi)^{-1}d\varphi\right)$$

Set $g(x) = x$ and solve the equation, we have

$$x = \frac{\sqrt{2}\sqrt{1-x}(2x+4)}{3}\int_0^{2\pi} K(\varphi)^{-1}d\varphi + x - 2x\sqrt{2(1-x)}\int_0^{2\pi} K(\varphi)^{-1}d\varphi$$

$$2\sqrt{2}\int_0^{2\pi} K(\varphi)^{-1}d\varphi\left(\frac{x+2}{3}-x\right)=0$$

implies

$$x = 1$$

Since $g'(1) \leq 1$, g is contractive and $g(S_n) \to 1$ as $n \to \infty$. Let

$$h_n = 1 - g(S_n)$$

implies

$$\begin{aligned} 1 - h_n = \frac{\sqrt{2}\sqrt{1-(1-h_{n-1})}(2(1-h_{n-1})+4)}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi \\ + (1-h_{n-1})\left(1 - 2\sqrt{2(1-(1-h_{n-1}))} \int_0^{2\pi} K(\varphi)^{-1} d\varphi\right) \end{aligned}$$

implies

$$h_n = h_{n-1} - \left(\frac{4\sqrt{2}}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi\right) h_{n-1}^{\frac{3}{2}}$$

Now let $k = \frac{3}{2}$ and $a = \frac{4\sqrt{2}}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi$. Then by the Pólya and Szëgo theorem,

$$n^2 h_n \to \left(\frac{2\sqrt{2}}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi\right)^{-2}$$

implies

$$h_n \to \frac{1}{\left[\left(\frac{2\sqrt{2}}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi\right) n\right]^2}$$

Therefore,

$$S_n \to 1 - \frac{1}{\left[\left(\frac{2\sqrt{2}}{3} \int_0^{2\pi} K(\varphi)^{-1} d\varphi\right) n\right]^2}$$

as $n \to \infty$.

4.3 Maximum along a path on higher dimensional surface of a sphere.

Suppose the maximum of a smooth function $\mathcal{G}$ is sitting on a path γ on the surface of a $(d+1)$-dimensional sphere, let it be $\mathcal{M}$ with dimension d. Then the Euler angles coordinate system becomes $(\phi_1, \cdots, \phi_d)$ on $\mathcal{M}$, such that the smooth function $\mathcal{G} : \mathcal{M} \to \mathbb{R}$ near the maximum along the path can be defined as

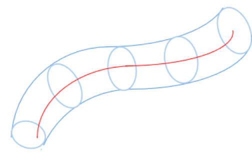

Figure 4.3: This illustration depicts the projection of the threshold level of the maximum of a function $\mathcal{G}$ along a curve γ (the red line) onto a higher-dimensional surface. The projected region is no longer a two dimensional band, but a higher dimensional snake shape.

$$\mathcal{G}(\phi^1, \cdots, \phi^d) \sim 1 - \sum_{i=2}^{d} \lambda_i(\phi^1)(\phi^i - \phi_*^i)^2$$

where $\lambda_i(\phi^1), i = 2, \cdots, d$ are the terms contain the second derivatives of $\mathcal{G}$ on the directions orthogonal to γ, ϕ^1 is the angle measures the deviation of the tangent vector at each point of γ from γ and $\phi^i \in [0, 2\pi), \forall i = 2, \cdots, d$ are the angles orthogonal to γ. Without loss of generality, let $\mathcal{G}(\phi^1, \phi_*^2 \cdots, \phi_*^d) = 1$ to be the maximum value along γ for all ϕ^1. Let

$$Y_1 = \mathcal{G}(\phi_1^1, \cdots, \phi_1^d), \cdots, Y_n = \mathcal{G}(\phi_n^1, \cdots, \phi_n^d)$$

be iid random variables on the manifold $\mathcal{M}$. Let's calculate the probability distribution of Y.

$$\begin{aligned}
P\{Y > y\} &= m\left\{(\phi^1, \cdots, \phi^d) : \mathcal{G}(\phi^1, \cdots, \phi^d) > y\right\} \\
&= m\left\{(\phi^1, \cdots, \phi^d) : 1 - \sum_{i=2}^{d} \lambda_i(\phi^1)(\phi^i - \phi_*^i)^2 > y\right\} \\
&= m\left\{(\phi^1, \cdots, \phi^d) : \sum_{i=2}^{d} \frac{\lambda_i(\phi^1)}{1-y}(\phi^i - \phi_*^i)^2 < 1\right\} \\
&= m\left\{(\phi^1, \cdots, \phi^d) : \sum_{i=2}^{d} \frac{(\phi^i - \phi_*^i)^2}{\left(\sqrt{\frac{1-y}{\lambda_i(\phi^1)}}\right)^2} < 1\right\} \\
&= \frac{2\pi^{\frac{d-1}{2}}(1-y)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1
\end{aligned}$$

where $L(\gamma)$ is the length of γ. The probability density is

$$\begin{aligned} f(y) &= \frac{d}{dy}\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-y)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right) \\ &= \frac{\pi^{\frac{d-1}{2}}(1-y)^{\frac{d-3}{2}}}{\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1 \end{aligned}$$

The maximum probability can be calculated as

$$\begin{aligned} S_n &= \max_{h_n}\Big(E[Y_n|Y_n \geq h_n]P\{Y_n \geq h_n\} + E[Y_n|Y_n < h_n]P\{Y_n < h_n\}\Big) \\ &= \max_{h_n}\left(\int_{h_n}^1 yf(y)dy + S_{n-1}\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-h_n)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)\right) \\ &= \max_{h_n}\left(\int_{h_n}^1 \frac{\pi^{\frac{d-1}{2}}y(1-y)^{\frac{d-3}{2}}}{\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1 dy\right. \\ &\qquad\left. + S_{n-1}\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-h_n)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)\right) \\ &= \max_{h_n}\left(\frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left(\frac{2}{d-1}(1-h_n)^{\frac{d-1}{2}} - \frac{2}{d+1}(1-h_n)^{\frac{d+1}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right. \\ &\qquad\left. + S_{n-1}\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-h_n)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)\right) \end{aligned} \tag{4.3}$$

Now take the derivative of above equation with respect to h_n and set zero, that is

$$\begin{aligned} &\frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left((1-h_n)^{\frac{d-1}{2}} - (1-h_n)^{\frac{d-3}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1 \\ &\qquad + S_{n-1}\left(\frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}(1-h_n)^{\frac{d-3}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1 \end{aligned}$$

implies

$$(1-h_n)^{\frac{d-1}{2}} - (1-h_n)^{\frac{d-3}{2}} + S_{n-1}(1-h_n)^{\frac{d-3}{2}} = 0$$

implies

$$h_n = S_{n-1}$$

Substitute back to (4.3),

$$S_n = \frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left(\frac{2}{d-1}(1-S_{n-1})^{\frac{d-1}{2}} - \frac{2}{d+1}(1-S_{n-1})^{\frac{d+1}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1$$
$$+ S_{n-1}\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-S_{n-1})^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)$$

Now rewrite the recursive relation as a function

$$g(x) = \frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left(\frac{2}{d-1}(1-x)^{\frac{d-1}{2}} - \frac{2}{d+1}(1-x)^{\frac{d+1}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1$$
$$+ x\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-x)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)$$

Set $g(x) = x$ and solve the equation, we have

$$x = \frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left(\frac{2}{d-1}(1-x)^{\frac{d-1}{2}} - \frac{2}{d+1}(1-x)^{\frac{d+1}{2}}\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1$$
$$+ x\left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-x)^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})}\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1\right)$$

implies

$$\frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})}\left((1-x)^{\frac{d-1}{2}}\left(\frac{4}{(d+1)(d-1)}\right)\right)\int_0^{L(\gamma)}\prod_{i=2}^{d}\lambda_i(\phi^1)^{-1}d\phi^1 = 0$$

implies

$$x = 1$$

Since $g'(1) \leq 1$, g is contractive and $g(S_n) \to 1$ as $n \to \infty$. Let

$$h_n = 1 - g(S_n)$$

implies

$$1 - h_n = \frac{\pi^{\frac{d-1}{2}}}{\Gamma(\frac{d-1}{2})} \left(\frac{2}{d-1}(1-(1-h_{n-1}))^{\frac{d-1}{2}} - \frac{2}{d+1}(1-(1-h_{n-1}))^{\frac{d+1}{2}} \right) \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1$$
$$+ (1-h_{n-1}) \left(1 - \frac{2\pi^{\frac{d-1}{2}}(1-(1-h_{n-1}))^{\frac{d-1}{2}}}{(d-1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1 \right)$$

implies

$$h_n = h_{n-1} - \left(\frac{4d\pi^{\frac{d-1}{2}}}{(d+1)(d-1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1 \right) h_{n-1}^{\frac{d+1}{2}}$$

Now let $k = \frac{d+1}{2}$ and $a = \frac{4d\pi^{\frac{d-1}{2}}}{(d+1)(d-1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1$. Then by the Polya and Szego theorem,

$$n^{\frac{2}{d-1}} h_n \to \left[\frac{d-1}{2} \frac{4d\pi^{\frac{d-1}{2}}}{(d+1)(d-1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1 \right]^{-\frac{2}{d-1}}$$

That is,

$$h_n \to \left[\left(\frac{2d\pi^{\frac{d-1}{2}}}{(d+1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1 \right) n \right]^{-\frac{2}{d-1}}$$

Therefore,

$$S_n \to 1 - \left[\left(\frac{2d\pi^{\frac{d-1}{2}}}{(d+1)\Gamma(\frac{d-1}{2})} \int_0^{L(\gamma)} \prod_{i=2}^{d} \lambda_i(\phi^1)^{-1} d\phi^1 \right) n \right]^{-\frac{2}{d-1}}$$

as $n \to \infty$.

4.4 Minkowski-type formula near extreme values of a function on compact Riemannian manifold

In this section, we will explore the connection between the Minikowski-type formula and Laplace method, then explore it's similarity with the Moser-type problem on compact Riemannian manifolds.

Minkowski formula plays a crucial role in understanding the behavior of geometric quantities near extreme values on Riemannian manifolds. Minkowski formula provides a means of calculating the volume or surface area of a convex set and its ϵ-neighborhood. The formula expresses these geometric quantities in terms of integrals involving the curvature of the boundary of the set. By examining the behavior of volume or area measures as they approach maximum or minimum points, Minkowski formula provides insight into the local geometry and curvature of the manifold.

Let's introduce the Minkowski formula. Consider a convex set $\mathcal{D}_0$ with a smooth boundary surface $\partial\mathcal{D}$ of class C^2. In this scenario, the fundamental quadratic forms $Q_1(du, dv)$ and $Q_2(du, dv)$ are well-defined. Define the set $\mathcal{D}_\epsilon = \{x \in \mathbb{R}^3 : d(x, \mathcal{D}_0) \leq \epsilon\}$ as the ϵ-neighborhood of $\mathcal{D}_0$. Then, we have the following expression for the volume $Vol(\mathcal{D}_\epsilon)$:

$$Vol(\mathcal{D}_\epsilon) = Vol(\mathcal{D}_0) + \epsilon Ar(\partial\mathcal{D}) + \epsilon^2 H_1(\partial\mathcal{D}_0) + \epsilon^3 K_1(\partial\mathcal{D}_0)$$

where

$$H_1(\partial\mathcal{D}_0) = \int_{\partial\mathcal{D}_0} H(\sigma) d\sigma$$

$$K_1(\partial\mathcal{D}_0) = \int_{\partial\mathcal{D}_0} K(\sigma) d\sigma$$

Here, $Vol(\cdot)$ represents the volume of the region, $H(\sigma) = \frac{K1+K_2}{2}(\sigma)$, and $K(\sigma) = K_1K_2(\sigma)$. Moreover, $K_1(\sigma)$ and $K_2(\sigma)$ denote the principal curvatures of $\partial\mathcal{D}0$ at the point $\sigma \in \partial\mathcal{D}_0$, while $H(\sigma)$ and $K(\sigma)$ signify the mean and Gaussian curvature at $\sigma \in \partial\mathcal{D}_0$ respectively.

Let's now turn our attention to the Laplace method. Laplace method is a technique for obtaining the asymptotic behavior of integrals in which the large parameter $t \to \infty$, appears in the exponent of a function $f(s) = e^{ts}$. Let $\gamma = \{(\theta, \varphi) : \varphi = \varphi_*, \theta \in [0, \pi]\}$ be a remedian on the surface of a unit sphere and let a smooth function $\mathcal{G} : \mathcal{M} \to \mathbb{R}$ near the maximum points, with maximum value $\mathcal{G}(\theta, \varphi_*) = 1 \ \forall \theta \in [0, \pi]$, on the remedian, $\varphi = \varphi_*$, with maximum value 1 to be

$$\mathcal{G}(\theta, \varphi) \sim 1 - K(\theta)(\varphi - \varphi_*)^2 \tag{4.4}$$

where $0 < c_0 < K(\theta) < c_1 < \infty$ and c_0, c_1 are some constants and , $\theta \in [0, \pi]$, $\varphi \in [0, 2\pi]$. Notice that equation (4.4) is actually the Minkowski formula with only the second order term. Then there exists a neighborhood $\mathcal{U}_\delta, 0 < \delta << 1$ around $\varphi = \varphi_*$, then when $t \to \infty$

$$\begin{aligned}
I(t) &= \int_{\mathcal{U}_\delta} e^{t\mathcal{G}(x)} \mu(dx) \\
&\sim e^t \int_0^\pi \left(\int_{-\delta}^{\delta} e^{-t(\varphi - \varphi_*(\theta))^2 K(\theta)} d\varphi \right) d\theta \\
&= e^t \int_0^\pi d\theta \int_{-\delta}^{\delta} e^{-t(\varphi - \varphi_*(\theta))^2 K(\theta)} d\varphi \\
&= e^t \pi \int_{-\delta}^{\delta} \frac{1}{\sqrt{tK(\theta)}} d\theta \\
&= \frac{e^t \pi}{\sqrt{t}} \int_{-\delta}^{\delta} K(\theta)^{-\frac{1}{2}} d\theta.
\end{aligned}$$

where μ is the measure of Riemannian manifold.

It's intriguing to observe that the computational intricacies involved in solving optimal stopping problems bear a striking resemblance to the methodological intricacies encountered when calculating integrals using the Laplace method for asymptotics. This similarity shows the deep connection between decision theory and mathematical analysis, shedding light on the underlying symmetries and connections between seemingly disparate fields of study.

CHAPTER 5: MARKOV CHAIN ON COMPACT RIEMANNIAN MANIFOLDS

In this section, we will explore the basic principles of Markov chains operating on compact Riemannian manifolds. In this formulation of the Markov stopping time, applicable to discrete-time chains and extending to diffusion processes, the phase space can be arbitrary. Let $\mathcal{M}$ denote a compact Riemannian manifold, partitioned into two distinct regions., $\mathcal{M}_1$ and $\mathcal{M}_2$ such that $\mathcal{M} = \mathcal{M}_1 \cup \mathcal{M}_2,\ \mathcal{M}_1 \cap \mathcal{M}_2 = \emptyset$. Let $Z_1, \cdots, Z_n$ be a sequence of iid random variables on $\mathcal{M}$ such that

$$Z_i = \begin{cases} X_i & , if\ X_i \in \mathcal{M}_1 \\ Y_i & , if\ Y_i \in \mathcal{M}_2 \end{cases}$$

for $i = 1, 2, \cdots$ where X_i and Y_i are uniformly distributed on $\mathcal{M}_1$ and $\mathcal{M}_2$ respectively. Consider the transition matrix

$$P = \begin{bmatrix} p_1 & q_1 \\ q_2 & p_2 \end{bmatrix}$$

where p_1 is the probability continue staying on $\mathcal{M}_1$, q_1 is the probability to jump from $\mathcal{M}_1$ to $\mathcal{M}_2$, p_2 is the probability continue staying on $\mathcal{M}_2$, q_2 is the probability to jump from $\mathcal{M}_2$ to $\mathcal{M}_1$.

We want to study the stationary optimal stopping problem (i.e. not to fix number of the steps). Let's introduce the small killing probability $\epsilon > 0$ such that after step $(t-1)$ the Markov chain will stop with probability ϵ, and reward will be 0. With probability $1-\epsilon$ we can make the next n^{th} step. From each point $Z \in \mathcal{M}_1$, we will make a jump. With probability p_1 the chain will be uniformly distributed on $\mathcal{M}_1$ and

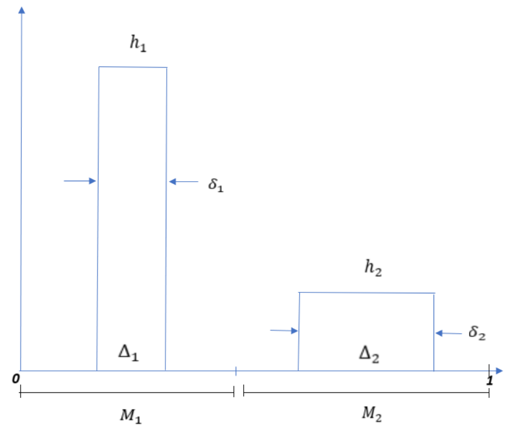

Figure 5.1: This figure illustrates the reward functions $\mathcal{G}_1, \mathcal{G}_2$ on the splitted manifolds $\mathcal{M}_1, \mathcal{M}_2$ on $\mathcal{M} = [0,1]$.

with complementary probability q_1 the Markov chain will be uniformly distributed on $\mathcal{M}_2$. For $Z \in \mathcal{M}_2$ we have similar situation. With probability p_2 the chain will make jump uniformly distributed on $\mathcal{M}_2$ and with probability q_2 there is transition from $\mathcal{M}_2$ to $\mathcal{M}_1$ again with uniform law. This is the probabilistic interpretation of our Markov chain on $\mathcal{M}$ and random variables $X_i, Y_i, i = 1, 2, \cdots$ introduced above.

Now we will introduce the reward function F_1, F_2 on subsets $\mathcal{M}_1, \mathcal{M}_2$ respectively. Let

$$\mathcal{G}_1(z) = \begin{cases} h_1 & , if \ z \in \Delta_1 \subset \mathcal{M}_1 \\ 0 & , if \ z \in \mathcal{M}_1 \setminus \Delta_1 \end{cases}$$

$$\mathcal{G}_2(z) = \begin{cases} h_2 & , if \ z \in \Delta_2 \subset \mathcal{M}_2 \\ 0 & , if \ z \in \mathcal{M}_2 \setminus \Delta_2 \end{cases}$$

Let $\delta_1 = m(\delta_1)$ and $\delta_2 = m(\delta_2)$ where $m(\cdot)$ is the Lebesgue measure function on $\mathcal{M}$. We will assume that $h_1 > h_2, \delta_1 < \delta_2$ and δ_1, δ_2 are the small parameters (we will compare them with the killing probability ϵ). Figure 4.1 illustrate the situation for $\mathcal{M} = [0, 1]$ with Lebesgue measure.

The invariant distribution between $\mathcal{M}_1, \mathcal{M}_2$(i.e. the soluion of equation $\pi P = \pi$) has the form

$$\pi_1 = \frac{q_2}{q_1 + q_2}, \qquad \pi_2 = \frac{q_1}{q_1 + q_2}$$

i.e. we can assign $m(\mathcal{M}_1) = \pi_1$ and $m(\mathcal{M}_2) = \pi_2$.

The chain stops at each step with probability $\epsilon > 0$, that is total time of one game has order $\frac{1}{\epsilon}$. Our goal is to find $S = \max_{\tau \geq 0} E[\mathcal{G}(Z_\tau)]$. In addition, let

$$S = \pi_1 S_1 + \pi_2 S_2$$

where S_1 is the optimal value if the Markov chain starts from the point $Z \in \mathcal{M}_1$ and S_2 is the optimal value starting from the initial point $Z \in \mathcal{M}_2$. It is clear that at some moment $t \geq 0$, $Z_t \in \Delta_1$, i.e. $\mathcal{G}_1(Z_t) = m_1$ then the decision-maker has to stop, if $Z_t \in (\mathcal{M}_1 \setminus \Delta_1) \cup (\mathcal{M}_2 \setminus \Delta_2)$, then he/she can continue. Finally, if $Z_t \in \Delta_2$ the chain will stop with some probability α and make the next step with probability $1 - \alpha$. The parameter α is the only variable in the problem of optimization. We must calculate $S = S(\alpha)$ and then find $\max_{0 \leq \alpha \leq 1} S(\alpha) = S_*$ (optimum).

For the functions $S_1(\alpha), S_2(\alpha)$ which are the optimal results for a fixed α and initial points from $\mathcal{M}_1$ and $\mathcal{M}_2$ respectively, we have the usual Bellman's equations:

$$\begin{cases} S_1 = (1-\epsilon)\delta_1 m_1 + (1-\epsilon)(1-\delta_1)[p_1 S_1 + q_1 S_2] \\ S_2 = (1-\epsilon)\delta_2 m_2 \alpha + [(1-\epsilon)\delta_2(1-\alpha) + (1-\epsilon)(1-\delta_2)] \cdot (p_2 S_2 + q_2 S_1) \end{cases}$$

By solving this linear system, which is inherently non-linear with respect to the parameter α, and employing asymptotic analysis of the solution and its optimization, we aim to determine the solution. Due to the computational complexity of the calculations, we will focus on formulating several qualitative results instead:

a) If $\frac{1}{\epsilon} >> \frac{1}{\delta_1}$ then the decision-maker has to wait for the first visit of Δ_1.

b) If $\frac{1}{\delta_1} << \frac{1}{\epsilon}$ and $\frac{1}{\delta_2} << \frac{1}{\epsilon}$, then the decision-maker must stop on Δ_2.

c) If $\frac{1}{\epsilon} = \frac{1}{\delta_1} >> \frac{1}{\delta_2}$, then the decision-maker selects an α such that $\frac{1}{\delta_1} = \frac{1}{\alpha\delta_2}$.

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APPENDIX A: A PROOF OF MOSER-TYPE PROBLEM WITH UNBOUNDED RANDOM VARIABLES

Let $X_1, \cdots, X_n \sim Exp(1)$ be iid random variables, i.e. $f(x) = e^{-x}\mathbf{1}_{x>0}(x)$. Let $\varphi(x) = x$ such that $S_n = \max\limits_{\tau \leq n} E[X_\tau] \uparrow \infty$.

Proof. By the law of total expectation,

$$S_n = \max_h \left(\int_{S_{n-1}}^{\infty} xe^{-x}dx + S_{n-1} \cdot \int_0^{S_{n-1}} e^{-x}dx \right)$$

Sinces the probaility distribution of maximum random variable is

$$\begin{aligned} P\{M_n < x\} &= P(X_1 < x, \cdots, X_n < x) \\ &= (1 - e^{-x})^n \end{aligned}$$

then the coresponding probability density is

$$f_n(x) = F_n'(x) = ne^{-x}(1 - e^{-x})^{n-1}.$$

Then the expectation of M_n is

$$\begin{aligned} E[M_n] &= E[\max(X_1, \cdots, X_n)] \\ &= n \int_0^{\infty} x \cdot e^{-x}(1 - e^{-x})^{n-1}dx \\ &= 1 + \frac{1}{2} + \cdots + \frac{1}{n} \\ &= \ln(n) - \gamma + o\left(\frac{1}{n}\right) \end{aligned}$$

where $\gamma = 0.5722$ is the **Euler's constant**. $\square$