



Profile log-likelihood at a grid of ξ -values; average values over 100 replications of Simulation Experiment C; the true value of ξ is the limit case $\xi \rightarrow 0$; the maximum of the profile log-likelihood is reached at $\xi \rightarrow 0$; the dotted vertical lines indicate an asymptotic 90%-confidence interval; the difference between the dotted horizontal lines equals $\chi^2_{1,0.9}/2$, where $\chi^2_{1,0.9}$ is the 90%-quantile of the χ^2_1 -distribution; the simulated 90%-confidence interval (not shown for ease of exposition) is given by $\xi \in [0; 0.1]$