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INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

THE STUDY OF IMPACT SIMULTANEOUS OF CAPITAL STRUCTURE AND COMPETITIVE POSITION IN PRODUCT MARKET (MARKET SHARE) OF COMPANY LISTED IN TEHRAN STOCK EXCHANGE

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ABSTRACT
The main subject of this study was to investigate the simultaneous effects of capital structure and market share as an indicator of the competitive position of the firms listed in Tehran Stock Exchange. Sample consists of 48 firms over the period 2007 to 2012 have been selected by systematic elimination. Data have been collected by libraries. Statistical method for testing the hypothesis presented in this study, using panel data. and two-stage least squares method is used. The results show that capital structure has no impact on market share. Tangibility and market growth opportunities on leverage ratio has a positive and significant impact. Bankruptcy risk and profitability of the market due to the leverage ratio hypothesis predicted significant and negative effect, and the coefficient of liquidity, growth opportunities and industry indicators have a significant impact on market share,However, discretionary spending has a significantly positive effect on it.

KEYWORDS
Capital structure, cost of specificity, firm size, growth opportunities, market share.

INTRODUCTION
Market share is used as a variable to show the strategic advantage of debt because it is considered as an important index in a competitive condition. The objective of a company in production market is to improve its competitive position. Capital structure theories were introduced within frameworks of firms without considering the competition existing among firms in production markets. In this research we have posed an experimental theory regarding the effect of market share on leverage ratio of firms. Regarding the effect of limited responsibility of financing through debts, the stockholders in a firm tend to accept risky strategies. But if surplus budget is appropriated, the bonds' holders will adapt this effect by reducing risk appropriate with the increases in the amounts of debts. Of course, market share is increased through financial leverage but the debt costs of agency will increase concurrently. Therefore, firms that have fewer market shares usually try to develop their market share by increasing financial leverage because the strategic benefits of debts are more than agency costs. But, market share has more benefits due to the increases in agency costs in using debts. Therefore, the higher amounts of market share will result in lower leverage ratio.

REVIEW OF LITERATURE
The main objective of capital structure decisions is to create an appropriate combination of long-term cash resources in order to minimize capital cost in a firm and maximize market value of the firm through it. This combination is called optimal capital structure. But, there are different theories about the existence of optimal capital structure. The main focus of these theories is whether a firm can really affect the assessment type and capital costs through cash composition or not? Belkaoui (1999) introduced capital structure as an overall claim on firm's assets. He considered that capital structure includes common bonds published, private investment, band debts, rent contracts, tax debts, and pension debts, deferred rewards for management and staffs, deposits for goodwill, goods guarantee, and other probable debts. Therefore, capital structure supply can be done through the followings:
1) Financial resources resulting from operational activities (net earning)
2) Resources resulting from reinvestment (stocks)
3) Financial resources resulting from debt creation (borrowings)

Regarding the 3 resources mentioned above, stocks and borrowings are investigated in this research and their relationship will be considered within companies, through which the objective of combined capital structure is to incur the least costs.

Setayesh & Jamalianpour (2009) carried out a research on the effect of capital structure and its changes on products' manufacturing and studied on the effects of capital structure and its changes on production. They investigated about the data related to 341 firms within the time period between 1999 and 2008 and found out that there has been a statistically meaningful relationship between all constituents of capital structure except recorded capital and the ability level of firm in achieving the predicted production level.

Setayesh & Kargar fard (2011) did a research to study the effect of competition in product market on capital structure, the effect of Q Tobin indexes and concentration (Herfindal-Hirshman and concentration ratio of 4 entities), on firms' debt ratio. Their research findings showed that competition in product market and capital structure of different industries is varied. Additionally, if Q Tobin and Herfindal-Hirshman indexes are used as competition measurement indexes in product market, there would be a positive and meaningful relationship between competition in product market and firms' capital structure. But is 4 entities' concentration ratio index is used there were not any evidences observed regarding the existence of a meaningful relationship between competition in product market and capital structure.

Shahedani & et al (2012) studied the relationship between market structure and capital structure in Tehran Stock Exchange. Their research investigated about the relationship between market structure (market power) and capital structure (leverage ratio) in firms enlisted in Tehran Stock Exchange in both static and dynamic forms. Results of this research showed that the relationship between market structure and capital structure has been non-linear (cubic) and this can result from the complex relations within the market, agency problems, and bankruptcy costs.

Brander & Lewis (1986) and Msksimovic (1988) prepared a theoretical framework regarding the relationship between market structure and capital structure. They showed that market structure affects capital structure and this effectiveness is created through competitive and strategic behaviors of firms.

Pandy (2004) studied about the relationship between capital structure and profitability and market structure. He administered a generalized torque system and approved his hypothesis that claims the relationship between capital structure and market structure is cubic (third order function) and the relationship between capital structure and profitability is parabolic.
Guney & Fairchild (2010) investigated about the relationship between capital structure and product market competition, market structure, in bourse firms in China. Their research findings showed there has been a parabolic relationship between capital structure and market structure.
Mitani (2013) carried out a research entitled: "capital structure and competitive position in product market", to study the effect of capital structure on competitive position of firms in product market that is measured through market share. he presupposed that firm's capital structure affects its market share and vice versa and the relationship between capital structure and market share was investigated through concurrent equations through which both variables were internal. His theoretical predictions showed that leverage affects market share positively. These evidences support the dominant version of limited responsibility of financing through borrowings.

OBJECTIVES
The ideal objective for this research is to investigate whether the strategic benefit of debt can show itself in manufacturing markets or not. But the main objective is to study the concurrent effect of capital structure and competitive position in product market (market share) in firms enlisted in Tehran Stock Exchange. This research is aimed at achieving the following objectives as well:
1- Studying the effect of capital structure on competitive position in product market (market share)
2- Studying the effect of competitive position in product market (market share) on capital structure

RESEARCH METHODOLOGY
The research method is descriptive type based on pooled data analysis. In this research we have used Eviews7 and Stata12 software for estimating descriptive statistics and model parameters' identification in the research and to do analysis and to transform the data we have used Mini Tab 16 software. Also in order to test the research hypothesis we have used regression analysis and correlation and the meaningfulness of patterns was measured by using identification coefficient, correlation coefficient, t statistic, and the normality of residuals. This research is applied regarding objectives and considering administration type it is descriptive-correlation. To do this research all firms enlisted in Tehran Stock Exchange during the time period between 2007 and 2012 were considered as our statistical population and our statistical sample was chosen by using systematic deletion method among these firms.
In this research our statistical sample included firms that have had the following characteristics:
1) Firm's stocks should have been exchanged from the year 2007 till 2012 (6 years) in Tehran Stock Exchange and it should have been active in bourse permanently.
2) During the years mentioned the firms should not have changed their activities or fiscal year.
3) Firms should not be from among banks or financial entities – investing companies, financial intermediaries, holdings, leasing (deletion is due to the certain nature of their activities and the return of investing companies are applied in other subgroup member firms either), and insurance companies.
4) The fiscal year of all firms should end at the end of Esfand (21st March).
5) During these years they should not have incurred losses and stock earnings should have been distributed in cash.
6) The data related to these firms should be accessible.
Finally and after applying the features mentioned above, 48 firms and 288 firms-years were selected for the time period between 2007 and 2012 to do the present research.

HYPOTHESIS
1- Capital structure affects competitive position in product market (market share).
2- Competitive position in product market (market share) affects capital structure.

RESEARCH MODELS
To test the suggested hypothesis, we have used the following models:
$ML_{it}= \beta_0+\beta_1 Tang_{it-1}+\beta_2 Size_{it-1}+\beta_3 BR_{it-1}+\beta 4GO_{it-1}+\beta_5 Prof_{it-1}+\beta_6 MS_{it-1}+\varepsilon_{it}$
$BL_{it}= \beta_0+\beta_1 Tang_{it-1}+\beta_2 Size_{it-1}+\beta_3 BR_{it-1}+\beta 4GO_{it-1}+\beta_5 Prof_{it-1}+\beta_6 MS_{it-1}+\varepsilon_{it}$
$MS_{it}= \beta_0+ \beta_1 Liq_{it-1}+ \beta_2 Sp_{it-1}+\beta_2 Di_{it-1}+ \beta_4 GO_{it-1}+\beta_5 HHI_{it-1}+\beta_6 ML_{it-1}+\varepsilon_{it}$
$MS_{it}= \beta_0+ \beta_1 Liq_{it-1}+ \beta_2 Sp_{it-1}+\beta_3 Di_{it-1}+ \beta_4 GO_{it-1}+\beta_5 HHI_{it-1}+\beta_6 BL_{it-1}+\varepsilon_{it}$

VARIABELES
First we defined market share as a dependent variable in models and then financial leverage was utilized as an alternative criterion for the dependent variable.

CAPITAL STRUCTURE
Financial leverage ratio: leverage is the fixed cashes in the inventory of firm's costs. Financial leverage is gained by dividing total liabilities into total assets. The bigger financial leverage would result in higher financial risk. Therefore, the expected return would be higher and the difference between suggested price for stocks' purchase and sales would become more and finally it results in reducing stock liquidation. This ratio identifies and assesses the relationship between financial resources used in a business unit regarding liabilities or owners' equity and in fact investigates about their composition type.
Based on the previous studies we can use two criteria for leverage as book leverage and market leverage. Book value of capital is the total assets minus outstanding stocks and debts and transferred tax. In Iran since we do not see outstanding stocks and there is not transferred tax, it would equal the total assets minus liabilities. In other words, it can be claimed that the book value of debts equals book value of total assets minus book value of capital.
Market value of capital is equal to the multiplication of the number of stocks issued into market price of stocks. Market value of firm's assets equals total assets minus book value of capital plus market value of capital. Market leverage equals the value of book debts divided by market value of assets and book leverage equals the book value of debts divided by book value of assets. Leverage is used as an index for the dependent variable and capital structure, here.
Therefore, in this research we have used this ratio in two ways:
1- Book leverage: the division of total debts into assets' book value at the end of fiscal year
2- Market leverage: the division of total debts into assets' market value at the end of fiscal year

MARKET SHARE
We have considered market share of firms as the annual sales of firm divided by total sales of the industry that represents market share.
$$s_i = \frac{x_j}{\sum_{i=1}^{n} x_j}$$
X: firm sales
I: industry type

TESTING THE NORMALITY OF VARIABLS' DISTRIBUTION

The features related to variables utilized in this research are represented in table (1). The reported statistics include average, mean, maximum, minimum, skewness coefficient, and standard deviation. Also the test of normality of the research variables, data independence, has been carried out based on Jarque-Bera test and the results have been shown in the table below.

TABLE (1): VARIABLES' NORMALITY TEST

	BL	ML	MS	BR	DI	GO	HHI	LIQ	PROF	SIZE	SP	TANG
Average	0.03	0.43	0.08	1.66	-0.01	0.75	0.14	0.06	0.06	0.24	0.01	-0.01
Mean	0.03	0.42	0.08	1.65	0.01	0.76	0.14	0.05	0.09	0.31	0.03	-0.04
Maximum	3.16	0.91	0.36	4.1	3.07	1.18	0.41	0.31	2.94	1.56	2.6	1.92
Minimum	-2.22	0	-0.19	-0.03	-2.94	0.27	-0.12	-0.18	-2.94	-1.19	-2.65	-1.95
Standard deviation	0.96	0.19	0.09	0.82	0.95	0.17	0.1	0.08	1.01	0.62	0.99	0.94
Skewness	0.09	0.1	-0.11	0.13	0.04	-0.11	-0.05	0.02	0.12	-0.33	-0.11	0.03
Pulling	3.03	2.46	3.13	2.38	3.34	3.45	2.75	3.22	3.06	2.72	2.73	2.3
Jarque-Bera test	0.44	3.99	0.82	5.47	1.47	2.99	0.84	0.58	0.76	6.11	1.5	5.89
Importance level	0.8	0.14	0.66	0.06	0.48	0.22	0.66	0.75	0.68	0.05	0.47	0.05
Total observations	288	288	288	288	288	288	288	288	288	288	288	288

First we should make sure about the normality of the distribution of dependent variables. This test is as follows:

H_0: The variables have normal distribution.

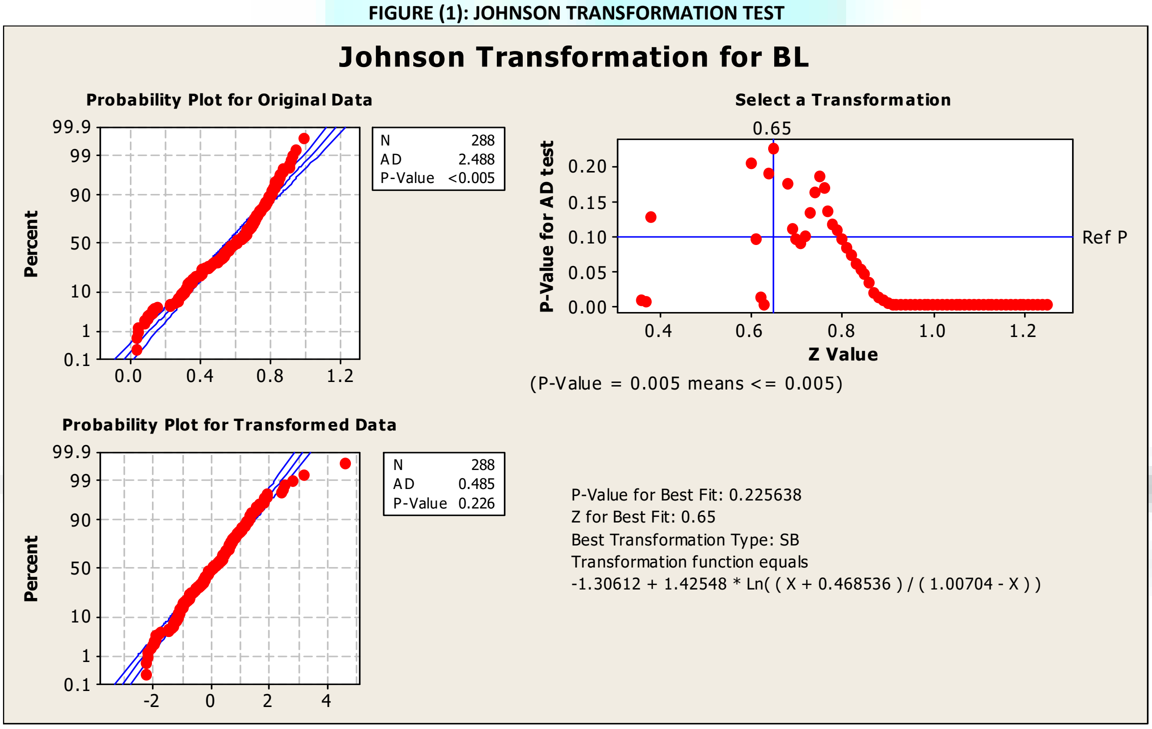
H_1: The variables do not have normal distribution.

The results of tests have been represented in tables (1) and (2). As it can be observed, since the importance level for the variables is higher than %5, the variables above have had a normal distribution. Regarding that some variables were not normal, we have used Johnson's transformation by using Mini Tab software to normalize them (figure 1).

TABLE (2): VARIABLES' NORMALITY TEST

Variable	Market share	Book leverage	Market leverage
Sample	2007-2012	2007-2012	2007-2012
Total observations	288	288	288
Average	0.08	0.03	0.43
Mean	0.08	0.03	0.42
Maximum	0.36	3.16	0.91
Minimum	-0.19	-2.22	0
Standard deviation	0.09	0.96	0.19
Skewness	-0.11	0.09	0.1
Pulling	3.13	3.13	2.46
Jarque-Bera test	0.82	0.44	3.99
Importance level	0.66	0.8	0.14

FIGURE (1): JOHNSON TRANSFORMATION TEST



TESTING HYPOTHESIS

Based on hypothesis above, the calculations of correlation coefficients for research variables have been carried out in binary form and represented in table (3). As it can be observed the highest correlation was between financial leverage and bankruptcy risk that were %31 and %61. Also the amounts have been %30 and %50 considering profitability and this relationship has been very low and about %28 and negative regarding market value of stocks.

TABLE (3): CORRELATION TEST

	BL	ML	MS	BR	DI	GO	HHI	LIQ	PROF	SIZE	SP	TANG
BL	1	0.55	0	-0.31	-0.01	0.5	0.06	0.07	-0.3	0.02	0.01	0
ML	0.55	1	-0.28	-0.61	-0.04	0.49	-0.01	0	-0.5	0.09	-0.09	0.14
MS	0	-0.28	1	0.04	0.13	0.02	0.03	0.01	0.02	-0.02	0.04	-0.02
BR	-0.31	-0.61	0.04	1	0.01	-0.24	0.06	0.03	0.3	-0.32	0.07	-0.16
DI	-0.01	-0.04	0.13	0.01	1	0.02	-0.04	-0.04	-0.03	0.03	-0.02	-0.07
GO	0.5	0.49	0.02	-0.24	0.02	1	0.07	0.05	-0.52	-0.2	-0.02	-0.11
HHI	0.06	-0.01	0.03	0.06	-0.04	0.07	1	0.04	0.01	-0.06	-0.09	-0.03
LIQ	0.07	0	0.01	0.03	-0.04	0.05	0.04	1	0.01	-0.07	-0.03	-0.08
PROF	-0.3	-0.5	0.02	0.3	-0.03	-0.52	0.01	0.01	1	-0.12	-0.01	0.11
SIZE	0.02	-0.09	-0.02	-0.32	0.03	-0.2	-0.06	-0.07	-0.12	1	-0.04	0.16
SP	0.01	-0.09	0.04	0.07	-0.02	-0.02	-0.09	-0.03	-0.01	-0.04	1	0.06
TANG	0	0.14	-0.02	-0.16	-0.07	-0.11	-0.03	-0.08	0.11	0.16	0.06	1

DATA STABILITY

In this research we have used Im, Pesaran, & Shin test to test the stability of the data. Thus, in order to approve the data are stable, the absolute amount of Dikki-Fuller statistic should be higher than the critical amounts. If they are not stable we will use the first difference of the data. The results of the test have been represented in table (4). The results show that the data have the required stability. This test has been as follows:

H_0: There has been dependence.

H_1: There has not been dependence.

Regarding table (4), Dikki-Fuller test for the variable book leverage (BL) showed an absolute amount of t statistic equal to 8.96 that has been more than all critical amounts (1.87, 1.98, 2.25) and it can be concluded that the data have the required stability. Also the results of other variables were similar and stable and it means that the average and variance of variables have been fixed during the pass of time and the variables' covariance has been fixed between the different years. t statistic for GO and SIZE has been represented as a multiple of 10 powered by 13 due to its great amount.

H_0: All series are stable.

H_1: Some panels are fixed.

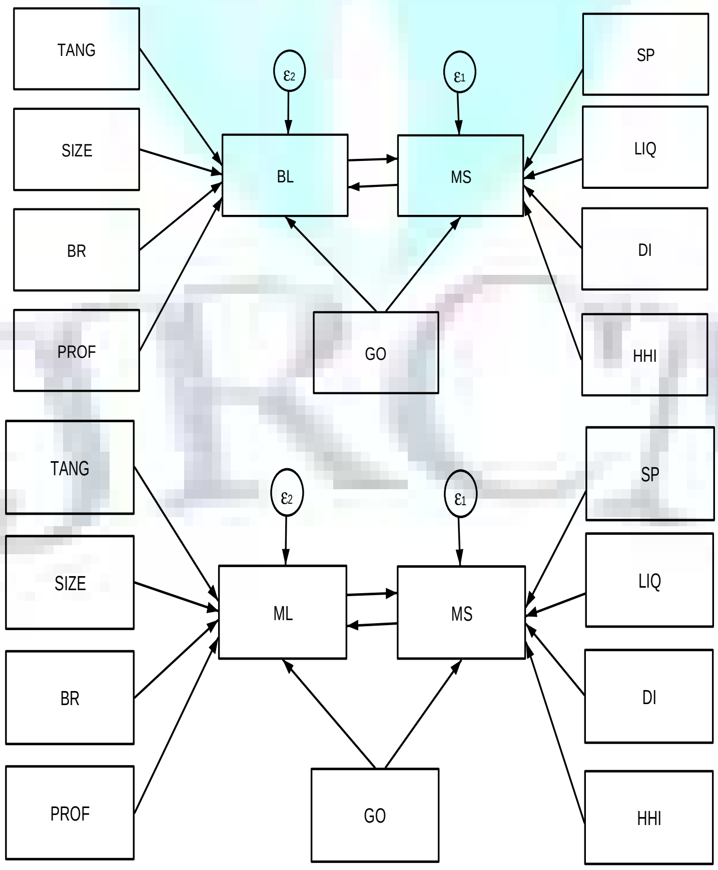
TABLE (4): DIKKI-FULLER TEST (VARIABLES' STABILITY)

ADF test statistic	Variable		BL	ML	MS	BR	DI	GO	HHI	LIQ	PROF	SIZE	SP	TANG
	Critical amounts	%1	-2.25	-2.24	-2.22	7.41	-2.22	7.41	-2.22	-2.22	7.63	7.63	-2.22	7.63
		%5	-1.98	-1.97	-1.96	7.71	-1.96	7.72	-1.96	-1.96	7.92	7.92	-1.96	7.92
		%10	-1.87	-1.86	-1.86	7.9	-1.86	7.9	-1.86	-1.86	8.11	8.11	-1.86	8.1
	t statistic	ADF	-8.96	-4.91	-4.88	-11.24	-2.48	170	-5.88	-5.94	-13.78	-770	-3.63	-31.82
	Result		accept	accept	accept	accept	accept	accept	accept	accept	accept	accept	accept	accept

TEST RESULTS FOR SUGGESTED MODELS

We presuppose that capital structure in firms affects market share and the intensity of competition among firms affects capital structure. We used concurrent equations through which both variables are endogenous and investigated about the relationship between capital structure and market share. The regressions studied within models and the relationships between variables have been represented in figure (2) by using Strata software.

FIGURE (2): THE REGRESSIONS STUDIED WITHIN MODELS AND THE RELATIONSHIPS BETWEEN VARIABLES



Regarding the results of regression test in first model shown in table (5) for the variable market leverage (ML), the coefficients for all variables except market share and firm size have been meaningful in a level of %1 and accordingly in second model, book leverage (BL) shows that the coefficients for bankruptcy risk and growth opportunity have been statistically meaningful in a level of %1 and other variables are not meaningful. Also the adjusted identification coefficient (R^2) for the model above has been %47 and it shows that %47 of changes in dependent variable could be explained by the descriptive variables. Also based on Wu-Hausman F tests and Durbin-Wu-Hausman F tests and regarding that the amount of probability (Prob.) has been less than %5, the null hypothesis is not accepted and the patterns show the endogenous feature of the variables (table 5).
Results of testing hypothesis based on table (5) show the overall approval of regression model in an assurance level of %95.

TABLE (5): RESULTS OF HYPOTHESIS TESTS FOR MODELS 1 & 2

			Coefficient	Statistic	Meaningfulness			Meaningfulness
First model	Dependent variable (market leverage)	Fixed coefficient	0.46	7.36	0	identification power	R^2	0.471
	Independent variable	Market share	-0.69	-1.18	0.23	Variance analysis	P Prob>Chi^2	0
	Other variables	Evidence ratio	0.025	2.9	0.04		Wald Chi^2(6)	300.29
		Firm size	-0.019	-1.29	0.19	Durbin-Wu-Hausman Chi^2test	Chi^2(1)	8.11292
		Bankruptcy risk	-0.1	-9.28	0		P Prob>Chi^2	0
		Growth opportunity	0.27	4.51	0	Wu-Hausman F test	F(1280)	9.0862
		Profitability	-0.045	-4.59	0		P Prob>F	0
Second model	Dependent variable (book leverage)	Fixed coefficient	-1.62	-4.2	0	identification power	R^2	0.2842
	Independent variable	Market share	-0.61	0.17	0.86	Variance analysis	Wald Chi^2(6)	115.79
	Other variables	Evidence ratio	0.018	0.24	0.73		P Prob>Chi^2	0
		Firm size	0.08	0.92	0.35	Durbin-Wu-Hausman Chi^2test	Chi^2(1)	10.03
		Bankruptcy risk	-0.2	-2.04	0		P Prob>Chi^2	0
		Growth opportunity	2.6	4.51	0	Wu-Hausman F test	F(1280)	12.0295
		Profitability	0.006	0.10	0.91		P Prob>F	0
P < 0.10; P < 0.05; P < 0.01								

In regressions related to third and fourth models as it has been shown in table (6) for the market share (MS), the coefficients for all variables are not meaningful except discretionary cost that is meaningful in a level of %5. Also the identification coefficient for the above model is %2. And regarding the results of testing the hypothesis based on table (6), it can be concluded that the regression model is not accepted.

TABLE (6): RESULTS OF HYPOTHESIS TESTS FOR MODELS 3 & 4

			Coefficient	Statistic	Meaningfulness			Meaningfulness
Third model	Dependent variable (market share)	Fixed coefficient	0.07	2.89	0	identification power	R^2	0.02
	Independent variable	Market leverage	-0.26	-0.68	0.49	Variance analysis	P Prob>Chi^2	0.22
	Other variables	liquidity	0.017	0.26	0.79		Wald Chi^2(6)	6.82
		specific costs	0.002	0.62	0.52	Durbin-Wu-Hausman Chi^2test	Chi^2(1)	0.17
		discretionary costs	0.012	2.29	0.02		P Prob>Chi^2	0.67
		Growth opportunity	0.24	0.58	0.56	Wu-Hausman F test	F(1280)	0.16
		industry index	0.02	0.52	0.59		P Prob>F	0.68
Fourth model	Dependent variable (market share)	Fixed coefficient	0.04	-0.62	0.526	identification power	R^2	0.0062
	Independent variable	book leverage	-0.014	0.54	0.59	Variance analysis	P Prob>Chi^2	0.26
	Other variables	liquidity	0.028	0.04	0.69		Wald Chi^2(6)	6.5
		specific costs	0.004	0.08	0.42	Durbin-Wu-Hausman Chi^2test	Chi^2(1)	0.27
		discretionary costs	0.012	2.29	0.02		P Prob>Chi^2	0.6
		Growth opportunity	0.046	0.56	0.57	Wu-Hausman F test	F(1280)	0.26
		industry index	0.028	0.65	0.51		P Prob>F	0.6
P < 0.10; P < 0.05; P < 0.01								

Based on results of table (7) and after studying the statistical measures of the specific least statistical amounts of Crago-Donald (1993) it was found that these indexes are higher than Stoke & Yugo (2005) critical values. Therefore, it can be concluded that our tool variables are not weak. As it can be observed the least amount of first model has been 1.46 more than the critical amount and thus the tool variables utilized in the model above are not weak.

TABLE (7): TESTING WEAK TOOLS

Testing weak tools	First model	Second model	Third model	Fourth model
Least specific amounts	1.46816	1.46816	47.75	4.18
H_0: Tool variables are weak.	4	4	4	4
Critical values	1	1	1	1
Two stage least square criterion	16.85	16.85	16.85	16.85
Wald test of two stage least squares in %5 level	24.58	24.58	24.58	24.58
Wald test of LIML in %5 level	5.44	5.44	5.44	5.44

RESEARCH FINDING

The findings of the present research based on research hypothesis are as follows:

FIRST HYPOTHESIS

In table (5), the estimation results represented show that market share did not have a meaningful effect on leverage ratios and capital structure. This result differs from the researches carried out by Mitani through which it has been shown that firms benefit from high market share through financing by borrowings. In Tehran Stock Exchange and in different industries, if agency costs are higher than strategic benefits resulting from debt increases, market share is not lost. Also the results of this research contradict with results in researches by Pourheidari & Ghaffarlou (2012).

Also other determinant financial leverage factors showed a great deal of coefficients. Most variables are consistent with capital structure hypothesis. Evidence and growth opportunity affect market leverage ratio meaningfully and positively. Also bankruptcy risk and profitability ratio have had a meaningful and negative effect on market financial leverage regarding the predicted hypothesis. In other words, it can be concluded that if the firm is profitable, management would not try to finance through debts. In fact the reverse relationship between profitability and leverage shows this incident. This result accords with hierarchical theory and accords with results in researches by Mitani, Guney & et al (2010).

SECOND HYPOTHESIS

Also based on table (6), determinant factors of market share showed that liquidity coefficient and growth opportunity and industry index did not have a considerable effect on market share. But discretionary costs have had a positive and meaningful effect on it.

TABLE (8): SUMMARY OF HYPOTHESIS TEST

Hypothesis No.	Hypothesis	P-Value	Result (accept/reject)
First	Capital structure affects competitive position in product market (market share).	0.23	Reject
Second	Competitive position in product market (market share) affects capital structure.	0.86	Reject

RESEARCH LIMITATIONS

In addition to limitations such as population, statistical sample and time period applied, the other limitations were as follows:

a) Stock Exchanges in Iran are only a trivial part of Iranian firms and the generalization of this research to all firms should be done conservatively.
b) The inefficiency of Tehran Stock Exchange is the intrinsic limitation of all researches carried out that extract their data from it.
c) The extracted data were historical and regarding the existence of inflation in economy in Iran, the adjustments should be considered in research results.

SUGGESTIONS FOR FUTURE RESEARCH

Since the research results showed lack of approval of the relationship between capital structure and market share, the models represented in this research can be investigated more and new variables can be added or due to the existence of different calculation criteria for financial leverage we can propose the investigation of new models.

Regarding that financial leverage was calculated by using two methods that led to different results; it can be suggested to investigate about the causes in future researches.

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