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Influence of Cultural Capital on Investors' Understanding of Financial Statements: A Correlative Evaluation.

Sunday A. Effiong (Phd, Aca)[1]* Akpan Dorathy Christopher (Aca)[2] & Egbai Emmanuel Otei[3]

[1.] *Department Of Accounting, Faculty Of Management Sciences, University Of Calabar, Pmb 1115, Calabar, Cross River State.*
[2.] *Department Of Accounting, Faculty Of Management & Social Sciences, Akwa Ibom State University, Pmb 1167, Uyo, Akwa Ibom State.*
[3.] *Department Of Accounting, Faculty Of Management Sciences, University Of Calabar, Pmb 1115, Calabar, Cross River State.*
**Corresponding author's contacts: drsunnyeffi@yahoo.com*

ABSTRACT: This study investigates the degree of influence of cultural capital on investors' understanding of the financial statements. Cultural capital is the concept that explains the ability of the elite managers and professional parents to transmit their privilege status to their children. The three variants of cultural capital were analysed to ascertain the extent they can help investors without academic qualifications in business, economics or accounting in understanding financial statements for their investment choices. A survey research design was adopted for the study and the principal instrument for data collection was the questionnaire. Data were obtained from primary sources and were analysed using simple linear regression model. Hypotheses formulated were tested and discussions of findings were made. It was discovered that embodied, institutionalised and objectified cultural capital significantly influence investors' understanding of the financial statements. It was recommended that investors who wish to expand their investments can do with cultural capital advantage and thus not limiting themselves to only familiar terrains because their cultural capital wealth can help them understand complex financial statements.

Keywords: cultural capital, embodied capital, institutionalised capital, objectified capital, investors, understanding, financial statements.

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I. INTRODUCTION

The decision to invest in any business is guided by several factors such as availability of finance, risk attitude of the investor, experience in the industry and awareness of the political and business environments. The major documents that give insight into the performance and position of the entity at a particular period of time are the financial statements. The financial statements are formal records of the financial activities and position of the business. It provides information about the reporting entity that is useful to existing and potential investors, lenders and other users in making decisions about resources to the entity. The investors need information about the economic resources of the company and the claims against it. Information about the entity's economic resources and the claims against it helps the investors to assess the entity's liquidity, solvency and it likely needs for additional capital. Information about financial performance helps the investors to understand the return that the entity has produced from its economic resources and the likely returns he will get on his investment.

The International Accounting Standards Board (IASB) Conceptual Framework identifies both fundamental and enhancing characteristics of the financial information contents of financial reports which make financial statements not misleading to the users. The fundamental characteristics are relevance and faithful representation. For information to be faithfully represented, it must be complete, neutral and free from error. The enhancing qualitative characteristics include comparability, consistency, verifiability, timeliness and understandability. For the financial statements to be understandable, they must be easily interpreted and understood by a wide spectrum of users. But it is stated in the conceptual framework that financial reports are prepared for users who have reasonable knowledge of business and economic activities and who can review and analyse the information diligently. Some phenomena are inherently complex and cannot be made easy to understand. Excluding information on these might make the report easily understood, but without it those reports would be incomplete and therefore misleading. Therefore matters should not be left out of financial statements simply due to their difficulty. It is some of this complex and difficult issues that need technicality and additional knowledge for investors to really appreciate the business they are into and the likely financial risk they are exposed to.

An investor, in addition to reasonable economic and financial knowledge, experience in the industry and ability to use analytical tools, will also understand financial statements better through the influence of cultural capital. Cultural capital gives the investor additional knowledge, skill, and power to understand the financial statements and this will influence the investment decision – whether to invest more or sale off the existing investments. Cultural capital is the concept that explains the ability of the elite managers and professionals to transmit their privilege status to their children, a process referred to as social and cultural reproduction (Bourdieu, 1986). According to Bourdieu, members of the dominant class tend to invest in their children's cultural capital, an easy familiarity with prestigious forms of culture as a means of ensuring their success.

From this backdrop, investors with this cultural background - whose parent or family members are investors, professionals, risk takers, multinationals etc, will not lose their investments easily or be defrauded through padded financial statements. This is likely to be so because of their background which have exposed them to the complexities of investment and they can easily see through the financial statements of companies and understand the companies that are likely to pay off.

Financial statements of companies are usually prepared in such a way that they x-ray the financial performance and position at a particular time. The investors who wish to invest in such firms will first go to the financial reports to see whether the business is viable and worth putting in their finances. Financial statements will contain some complex issues which may not be understood by investors who do not have reasonable knowledge of business and economic activities. However, financial directors and accountants intentionally prepare fraudulent and misleading financial reports to woo vulnerable investors. They manipulate financial statements through earnings management to fulfil their selfish ambitions

Investors who do not have reasonable knowledge of business and finance and as such do not understand financial reports and who depend on the bottom line profit figures end up losing their investments. This is witnessed in the collapse of so many companies even when they reported high profits figures prior to their collapse, such as Enron and Worldcom cases. Even in the face of this, some investors whose academic qualifications are far from accounting, finance, economics or business such as medical doctors, sociologist, engineers etc are making it in their investment ventures. Their success is mostly attributed to their cultural capital transmitted to them from their parents. Thus, investors whose parents are professional accountants, auditors, multinational shareholders and financial analysts tend to be more successful than their counterparts who do not have such background. This research examines the influence of cultural capital on investors' understanding of financial statements, especially investors with no academic background in accounting, economic and management.

II. CONCEPTUAL FRAMEWORK

Culture is the totality of the way of life of a people which includes their religious belief, traditions, scientific views, language etc (Throsby, 1999). Culture describes the way things work around us and specifically includes the values, beliefs, behaviour, artefacts and reward system that influence people's behaviour on a day to day basis. In an organisational setting, it is the basic assumption and believes that are shared by members of the organisation that operate unconsciously and defined in a basic-taken-for granted fashion an organisational view of itself and its environment (ACCA, 2015). It is driven by top leadership and becomes deeply embedded in the company through a myriad of processes, reward system and behaviours. Culture includes all the behaviour that may or may not improve performance.

Hofestede (1984), defines culture as the collective programming of the mind which distinguishes the members of one group or society from those of others. It is the unconscious code of conduct found within everything from small group of two to an entire population. Culture can be passed along through generations and it influences the norms, values and interactions within and across social systems. According to Throsby (1999), culture is a set of attitudes, practices and beliefs that are fundamental to the functioning of different societies. An essential element of culture is its role as an expression of group or collective aspects of people's behaviour, as demonstrated in the activities and belief system. Thus something can be said to be of cultural value if it contributes to these shared elements of human experience. The most important part of this definition suggests that culture carries with it a notion of values. Thus cultural capital is the stock of cultural values embodied in an asset (Throsby, 1999).

The term cultural capital was first used by a French sociologist Pierre Bourdieu, to explain the ability of elite managers and professionals to transmit their privileged status to their children, a process he referred to as social and cultural reproduction (Bourdieu, 1986). Also, Dimaggio (1992) observes that Bourdieu's notion of cultural capital is a flexible and powerful tool for understanding the relationship between culture, power, and inequality in contemporary societies. According to him, cultural capital includes all forms of knowledge, skills, education and advantages that a person has, which give him a higher status in the society. Parents provide their children with cultural capital by transmitting the attitude and knowledge needed to succeed in the society. Cultural capital is generally defined as proficiency in and familiarity with dominant cultural codes and practices—for example, linguistic styles, aesthetic preferences, and styles of interaction (Aschaffenburg & Maas, 1997). It could be inferred from the above that cultural capital could be transmitted from generation to generation within one race. Bourdieu also contends that cultural capital consists of familiarity with precisely those subjects that schools do not teach but that elites value that are inculcated outside the school (Bourdieu, 1986).

According to Wikipedia, cultural capital refers to non-financial social assets that promote social mobility beyond economic means. It gives power and helps one achieve goals, become successful and rise up the social ladder without necessarily having wealth or financial capital. Berkes & Folks (1992), relate cultural capital with natural capital. According to them, cultural capital is seen as the adaptive capacity of human populations to deal with and modify the natural environment. They observe that cultural capital is innate or acquired characteristics in human beings that affect their productive capacities in both qualitative and quantitative terms.

2.1 Empirical Review

Although there have been researches on cultural capital, they have centred on the arts and the rates of performance and success in schools. There has been no research on the influence of cultural capital on investors' understanding of the financial statements.

Dimaggio (1992) studied the impact of status culture participation on the grades of U.S. high school students and found that "measured intelligence explains no more than 15% to 30% of the variation in students' high school grades. He developed a regression model to test the hypothesis that cultural capital significantly influences grades between female and male school children. He found out that teachers communicate more easily with students who participate in elite status cultures, give them more attention and special assistance and perceive them as more intelligent and gifted than students who lack cultural capital.

Dimaggio further discovered that educational attainment is a very imperfect proxy for cultural capital and that single measures of cultural capital or participation in status cultures are inadequate. He suggested that it may be important to assess the differing role cultural capital may play in the mobility strategies of different class segments; and to compare the influence of cultural capital in different kinds of educational and occupational settings.

Another study was carried out by Kraaykamp & Eijck (2010) on the Intergenerational Reproductive Cultural Capital. They discovered that the most elaborate studies measure effects of parental cultural capital in its institutionalized (education) as well as its embodied (cultural participation or taste) states on children's educational attainment. In this article Kraaykamp and Eijck compared the three states of cultural capital in the process of intra- and intergenerational transmission of resources. In particular they analyzed the impact on children of parental institutionalized, embodied, and objectified cultural capital. In their study, they limited cultural capital indicators to legitimate or high status cultural signals. They also observed that a strong intergenerational transmission of cultural capital occurs between children and parents. Highly educated parents (institutionalized capital) provide their children with the resources to do well in school. Parents who frequently engage in high-brow cultural activities (embodied capital) inculcate an interest in high-brow activities in their children.

Meng and Hsiu (2013), in their study 'using cultural capital to analyse the digital divide experienced by students living in remote areas observed that embodied cultural capital and objectified cultural capital within the family were crucial factors that contributed to differences in students' digital learning opportunities. The amounts of cultural investments by parents do not only affect the children's cultural depth, but also influenced their digital learning performance. This study found out that information ethics is a factor that links information accessibility to information application, signifying that a greater cultural depth leads to higher degrees of ethical practice, verifying the need to promote parent-child cultural activities but nothing was said concerning relation between cultural capital and investment decision. They recommended that students, parents, and schools should consider the arrival of the digital era and effectively fulfil their respective responsibilities: schools should provide a high-quality digital learning environment to accommodate economically disadvantaged families, and parents should allocate more attention to their children's academic performances and digital competence. Parents should also accompany their children and participate in cultural activities during their spare time to enhance their children's cultural depth and facilitate multifaceted development.

Davis (2011) also carried out a study on cultural capital and investment banking and noted that there is a relationship between growth in cultural capital and investment banking. This increase in cultural capital, in the form of both embodied cultural capital and objectified capital also lead to an increased interest and competence in investment banking and the financial services industry. He noticed that investment banking is a lucrative industry yet it is not diversified and greatly tapped. He observed that a student that graduates and enters investment banking makes a base salary of $70,000 plus a $10,000 sign-on bonus. These positions are very competitive and he believes that because African Americans are overrepresented in the lower half of the income distribution, they do not gain the cultural capital through adolescence that is necessary to secure these types of opportunities (Magnuson & Waldfogel, 2008). This also means that there is an industry with very lucrative salaries, which is not accessible to an entire group of people due to their socioeconomic background and status. Davis believes that the root of this issue is the lack of cultural capital related to finance within the African-American community, and at higher rates in the low income portion of this community.

2.2 Forms of Cultural capital

According to Bourdieu (1986), there are three forms or states of cultural capital viz; embodied, institutionalised and objectified cultural capital and these are elaborated below.

2.2.1 Embodied cultural capital

The embodied state refers to cultural capital in the form of long-lasting dispositions of the mind and body and as such is very much tied to an individual body, including the brain. It is, according to Bourdieu, external wealth converted to an integral part of the person, into a 'habitus' and therefore cannot be transmitted instantaneously (unlike money, property rights, or even titles of nobility) by gift or bequest, purchase or exchange (Bourdieu, 1986). It is thus clear that cultural capital when it relates to the embodied state is very close to the concept of human capital. Embodied cultural capital is accumulated in a lifelong process of socialization and it takes place in large part unconsciously. The accumulation of embodied cultural capital covers the entire socialization period, which therefore creates cultural distinctions that feel like natural differences, and results in the reproduction of embodied cultural capital being the best hidden form of intergenerational capital transmission. Much of the empirical testing of cultural capital has looked at the aggregate impacts of education and Bourdieu's notion of "habitus" as affecting economic and social outcomes. At this level when the relationship between individual and group in the society are invoked, the idea of cultural capital becomes entwined with that of social capital (Throsby, 1999).

2.2.2 Institutionalised cultural capital

Institutionalized cultural capital consists of institutional recognition, most often in the form of academic credentials or qualifications, held by an individual. Institutionalized cultural capital refers to certificates awarded to individuals that suggest competencies and skills have been mastered. When the individual is credentialed, the embodied cultural capital takes on an objective value that is marketable and leads to financial capital. Cultural capital in its institutionalized form transcends the biological limits of capital in the embodied form. Bourdieu (1986) calls the institutionalized state of cultural capital a form of objectification which must be set apart because it confers entirely original properties on the cultural capital which it is presumed to guarantee (Bourdieu, 1986). According to Bourdieu & Passeron (1977), school success is strongly determined by the embodied cultural capital students bring from their families of origin. Yet, because educational differences tend to be unjustly attributed to differential ability rather than to cultural resources transmitted within the family, Bourdieu argues that, to some extent, academic credentials serve to legitimate the social transmission of privileges.

2.2.4 Objectified cultural capital

Objectified cultural capital consists of activities and owned physical objects that symbolically represent "high-browed" societal values (Bourdieu, 1986). High-browed societal values include the possession of high culture goods, such as artworks, pictures, books, dictionaries, instruments, machines, etc (Bourdieu, 1986). The possession of cultural objects so far has received little attention in the cultural capital or cultural reproduction literature. Unlike embodied or institutionalized cultural capitals, objectified cultural capital can be immediately transmitted. However, this transmissibility only applies to the material objects and not to the way in which these objects are to be appreciated (which, again, draws upon embodied cultural capital). Lamont & Lareau (1988) propose to limit the definition of cultural capital to what they consider the most important and original aspects of the concept; widely shared, high status cultural signals (attitudes, preferences, formal knowledge, behaviours, goods, and credentials) used for social and cultural exclusion.

2.3 Definition of financial statements

The mirror to the financial performance and position of any entity are the financial statements. According to IAS 1- presentation of financial statement - a complete set of financial statements consist of statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, cash flows statement, notes to the accounts and statement of accounting policies. Theoretically, financial statements have been given various definitions by scholars. Meng & Hsiu (2013) define financial statements as a logical point to begin the study of accounting. This is because most of the accounting information we see and use everyday reflects the terminology and concepts used in these statements.

Companies and Allied Matters Act (CAMA), defines financial statements as the basic statement of accounts used to convey the quantitative and qualitative financial information about a business to shareholders, creditors and others interested in the reporting company's financial condition, performance, uses and sources of funds. According Davis (2011) financial statements are seen as reliable sets of financial information about the economic resource and obligations of a business enterprise. Duru (2012) defines financial statement as a statement which conveys to management and to interested outsiders a concise picture of the profitability and financial position of a business. In summary, financial statements is a mirror of the financial performance, financial position, equity, cash flows and accounting policies of any entity, be it governmental, non-governmental and privately owned entity. Published financial statements are usually audited by appointed auditors usually published to the public while the financial statement for internal use may or may not be audited. Flowing from the above, financial statements should be devoid of any material misrepresentation, misstatements or errors so that all the interested parties can be adequately equipped to make informed decisions.

2.4 Financial Statements and Investment Decision

Annual financial reports provide mediums through which companies and firms provide bill of health of the financial status of the companies to shareholders, creditors and the general public and potential investors, to enable them make rational investment decisions. The potential investors looking for where to invest will employ so many analytical tools to determine the financial strengths, weakness, opportunities and threats of firms of their interests. By their nature, financial statements are retrospective, which means an investor should never look at a single statistic or metric in making investment decisions. For instance, an actual or potential investor must analyze the statement of financial position, to assess the company's asset, liabilities and ownership equity (net worth) at a particular point in time. Also, he will assess the income statement to know the company's expense, income, profit or loss over a specified period of time. He will also assess the cash flow statement, to find out how the company raised up cash through investors or creditors; how the cash is used to acquire assets and inventory; how the asset and inventory allow the company to generate cash to pay for business expenses; and finally how the cash is returned to investors and creditors. Moreover, the purpose of cash flow analysis is to estimate the amount of money an investor would receive from an investment, based on future free cash-flow projections from the company, at least in the short term.

A proper understanding of the financial statements is very paramount in decision making as this will militate against the risk of loss of investment. Analytical tools such as ratio analysis, trend analysis, cross sectional analysis; industrial benchmarks etc will be pointers of fertile grounds and red flags. Investors are not always those trained in the fields of accounting, economics and management, who are exposed to these analytical tools but come from various fields such as medicine, sociology, politics etc. And it is often thought that they understand financial performance and positions of the companies in which they which to invest in before they venture into such business. Thus cultural capital contributes to this understanding and successes in their various investments.

III. METHODOLOGY

The survey research design was adopted for this study as the major instrument used in data collection was the questionnaire. The population of the study was made up of listed manufacturing companies in Nigeria and purposeful sampling technique was adopted to select secretaries and shareholders who did not have academic background in accounting, management or economics. Company secretaries were chosen because they are always in attendance during Annual General Meetings and Board Meetings and so would observe the reaction of those investors who possess this cultural capital. The building material sector was chosen which include Ashaka Cement Company, Benue Cement Company, Cement Company of Northern Nigeria, Ceramic Manufacturer Nigeria, Lafarge, WAPCO, Niger Cement, Nigeria Wire Industry, Nigeria Ropes and West African Portland Cement plc. Company secretaries and shareholders who did not have accounting background were selected as respondents. A total of fifty five questionnaires were distributed and all were duly completed, returned and useful.

Based on the objectives of the study, a functional model was developed to establish the relationship between the variables. A simple linear regression model was adopted as statistical tool for analysis of the hypotheses. The general linear model developed for the study is expressed as follows:

$Y = \beta_0 + \beta_i X_i + e$

Where:

Y	=	Dependent variable (Investors understanding of financial statements)
β_0	=	the regression intercept
β_i	=	the coefficient of the independent variable X_i
X_i	=	Independent variables (proxies of cultural capital)
e	=	the stochastic error term

Based on this general model, the following specific models were developed thus:

Model 1

$IUFS = \beta_0 + \beta_1 ECC + \mathcal{E}$

Where

IUFS = Investors understanding of financial statements

β_0 = Intercept of the regression line

β_1 = Co-efficient of ECC

ECC = Embodied cultural capital

e = Stochastic error term

Model 2

$IUFS = \beta_0 + \beta_1 ICC + e$

Where

IUFS = Investors understanding of financial statements

β_0 = Intercept on the regression line

β_1 = Co-efficient of ICC

ICC = Institutionalised cultural capital

e = Stochastic error term

Model 3

$IUFS = \beta_0 + \beta_1 OCC + e$

Where

IUFS = Investors understanding of financial statements

β_0 = Intercept on the regression line

β_1 = Co-efficient of OCC

OCC = Objectified cultural capital

e = Stochastic error term

IV. RESULTS

The analysis of data was made in this research based on the questionnaires which were returned by the respondents. The regression results obtained are used in this analysis.

4.1 Extent of Embodied Cultural Capital influence on the investors' understanding of financial statements.

Analysis of the relationship between embodied cultural capital and the investors understanding of the financial statements.

Table 1

Relationship between embodied cultural capital and investors' understanding of the financial statements.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.429[a]	.317	.226	1.17253	.317	1.392	**1**	53	1.537	1.932

a. Predictors: (Constant), ECC

b. Dependent Variable: IUFS

Table 2

summary of regression result of the influence of embodied cultural capital on investors understanding of the financial statements

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	25.249	4.302		5.869	.000
	ECC	2.127	.203	2.129	3.626	.001

a. Dependent Variable: IUFS

R is the Coefficient of correlation and the value of .429 implies that there is a positive correlation between investors understanding of the financial statements (IUFS) and embodied cultural capital (ECC). The r^2 of .317 implies that 31.7% changes in IUFS is explained by ECC while 68.3% is unexplained and this could be as a result of other factors that influence investors' understanding of the financial statements. The adjusted R square of .226 implies that the regression line has captured about 22.6% of the dependent variable (IUFS) caused by the dependent variable, embodied cultural capital.

From the regression result, the P value is .001 which is less than the Tab. P of 0.05 at 5% level of significance and degree of freedom of 53. Hence, the test is significant and so we reject the null hypothesis and accept the alternative hypothesis which states that embodied cultural capital significantly influences investors understanding of the financial statements.

4.2 Extent to which institutionalized cultural capital influence investors understanding of financial statements.

Analysis of the relationship between institutionalized cultural capital and the investors understanding of the financial statements.

Table 3

Relationship between Institutionalised Cultural Capital and Investors Understanding of the Financial Statements

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.498[a]	.410	0.333	.37674	.010	2.225	1	53	1.640	1.965

a. Predictors: (Constant), ICC

b. Dependent Variable: IUFS

Table 4

Summary of regression result of the influence of institutionalised cultural capital on investors understanding of the financial statements

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.453	3.998		6.117	.000
	ICC	2.083	175	1.098	2.474	.002

a. Dependent Variable: IUFS

R is the Coefficient of correlation and the value of .498 implies that there is a positive correlation between investors understanding of the financial statement (IUFS) and institutionalised cultural capital (ICC). The r^2 of .410 implies that 41.% changes in IUFS is explained by ICC while 59.% is unexplained and this could be as a result of other factors that influence investors' understanding of the financial statement not captured in the model. The adjusted R square of .333 implies that the regression line has captured about 33.3% of the dependent variable (IUFS) caused by the dependent variable institutionalised cultural capital.

From the regression result, the P value is .002 which is less than the Tab. P of 0.05 at 5% level of significance and degree of freedom of 53. Hence, the test is significant and we reject the null hypothesis and accept the alternative hypothesis which states that institutionalised cultural capital significantly influences investors understanding of the financial statements.

4.3 Extent to which objectified cultural capital influence investors understanding of financial statements.

Analysis of the relationship between objectified cultural capital and the investors understanding of the financial statements

Table 5

Relationship between objectified cultural capital and investors' understanding of the financial statement

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.465[a]	.372	.303	.46867	.072	1.778	1	53	.196	1.220

a. Predictors: (Constant), OCC

b. Dependent Variable: IUFS

Table 6

Summary of regression result of the influence of objectified cultural capital on investors understanding of the financial statements

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.487	7.227		.206	.139
	OCC	.410	.308	.268	1.333	.004

a. Dependent Variable: IUFS

R is the Coefficient of correlation and the value of .465 implies that there is a positive correlation between investors understanding of the financial statement (IUFS) and objectified cultural capital (ICC). The r^2 of .372 implies that 37.2% changes in IUFS is explained by ICC while 52.8.% is unexplained and this could be as a result of other factors that influence investors' understanding of the financial statement not captured in the model. The adjusted R square of .303 implies that the regression line has captured about 30.3% of the dependent variable (IUFS) caused by the dependent variable objectified cultural capital.

In the same vein, the regression result above gives the P value to be .004 which is less than the Tab. P of 0.05 at 5% level of significance and degree of freedom of 53. Hence, the test is significant and we reject the null hypothesis and accept the alternative hypothesis which states that objectified cultural capital significantly influences investors understanding of the financial statements.

V. DISCUSSION OF FINDINGS

Based on the extent to which embodied cultural capital influences the investors understanding of the financial statements, the coefficient of correlation shows a positive relationship, r^2 of 31.7% and the corresponding hypothesis shows that embodied cultural capital significantly influences investors' understanding of the financial statements. The remaining 68.3% of the factors that influence understanding of financial statement outside embodied cultural capital could include academic attainment, and such other factors not captured in our model. This is in line with the findings of Davis (2011). Davis found out that embodied cultural capital may contribute significantly to understanding of any complex issues involving investment decision and also liken embodied cultural capital to human capital. This finding is also in line with the findings of Werfhorst (2010), who carried out quantitative empirical research on the influence of cultural capital on children's educational and occupational attainments. He noted that among the three forms of cultural capital, embodied accumulates through a long period of time through a process called cultural reproduction and this contributes extensively to academic and carrier success. Siblings inherit their parents' cultural capital through unconscious imitation and eventually translate into high intellect.ual capacity

Also, the result of the analysis shows a positive correlation between institutionalised cultural capital and the investors understanding of financial statements with an r^2 of 41%. The tested hypothesis shows that institutionalised cultural capital significantly influences investors' understanding of financial statements. This finding is in line with the findings of Denzler (2011), who noted that Parents' education may affect the educational views, modes and choices of their children and may also affect children's learning attitudes and academic goals. Parents who have received higher degrees and systematic education and training can usually create a good cultural atmosphere and cultural environment for their children. Therefore, parents with higher educational levels tend to have children with higher understanding of complex and phenomenal issues like financial statements. Fan (2014), in his work realised that family economic capital influences the type of education received. He also noted that family factors affects educational input and output, and high quality educational resources are increasingly monopolised by families with good cultural capital. In his opinion, institutional cultural capital is convertible under certain conditions into high performance and perfect understanding of some unfamiliar terrain.

On the other hand, based on extent to which objectified cultural capital influences investors understanding of the financial statements, the coefficient of correlation shows a positive correlation, r^2 of 37.2%. The tested hypothesis shows that objectified cultural capital significantly influences the investors understanding of the financial statements. This result is supported by the findings of Kraaykamp and Eijck (2010), who found out that a strong intergenerational transmission of cultural capital occurs. They observed that there seems to exist an alternative mode of material approach that consists of direct inheritance, either of the goods themselves or of the inclination to acquire them. Meng & Hsiu (2013) also support this finding in their work which they noted that digital results of students from higher cultural families were significantly superior to those for students from low cultural families. The amount of cultural investments, by parents, not only influence children's cultural depth but also affects their digital learning performance. This is as a result of provision of high quality digital environment such as laptop, internet and other e-learning devices. This translates into their ability to understand financial statements especially in this electronic era where everything is going digital.

Multinational shareholders and professionals transmit their privileged status to their children which enhances their understanding of financial statements. It was also noted that investors with cultural capital tend to make useful and sensitive argument during annual general meeting than those who do not have this cultural heritage. The possession of cultural objects such as laptops, internet facilities, annual report of companies etc positively influence investors understanding of financial statements. Finally, Investors who possess cultural capital background have the capacity to analyse risk and enjoy competitive advantage than others.

VI. CONCLUSION AND RECOMMENDATION

From the findings of the study, it could be concluded that cultural capital do not only translates into advantage in educational terms but also influences investors with that cultural background to interpret financial statements. Investors who come from such elite background with economic capital, industrial and commercial power and professionals in different fields also possess high knowledge in business, investment, medicine, engineering, politics etc, depending on the background they come from. For instance, an investor whose parent are shareholders and company owners will be exposed to the mechanics of running successful business venture, will be endowed with the ability to read and understand financial reports, sufficient knowledge of how to manage risk than another investor from the medical background may not. Hence, those investors with this cultural advantage in addition to their high academic background will easily understand financial statements especially complex ones and this aid them in their investment decisions.

It is recommended that investors with this privileged status should expand their investment horizon though their academic background is far from business. This is because with their cultural capital the financial statements will not be a complex issue compared to those without this background.

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